SMALL BUSINESS LEGISLATION
NATIONAL STATE SURVEY

Prepared for
Office of the Chief Counsel for Advocacy
U. S. Small Business Administration
Washington, D.C.

by

National Conference Of State Legislatures
Denver, Colorado
Under S.B.A. Purchase Order 79-2667

Note: This report represents the views and opinions of the authors and does not necessarily represent those of the Office of the Chief Counsel for Advocacy, any other agency of the Federal Government, or the National Conference of State Legislatures.
The Office of the Chief Counsel for Advocacy was created by Congress and
the President to serve as a voice for small business within the government.
Millions of small firms, which are the backbone of the American economy,
have often been overlooked when government policies were developed and im-
plemented. Advocacy's mission is to study the role of small business in the
American economy, to analyze the needs of small business in maintaining and
increasing its competitive strength, and to fight for changes that will create
a healthier environment for small business in the future.

Governmental actions have a direct impact on the ability of small firms to
survive in our economy. Federal, state and local governments all have a role,
therefore, in making sure that their policies help, rather than hurt, small
business.

Within the past three years, there has been a noticeable increase in the number
of state programs designed specifically for small business. In May, 1979, the
Office of Advocacy published a Directory of State Small Business Programs,
the first comprehensive effort to compile an overview of all state programs,
both legislative and executive. An updated Directory will be printed in early
1980.

When we compiled the Directory, it became apparent that there had been no cen-
tral source of information about state small business activities: it was diffi-
cult for officials of one state to find out about the efforts being made by
state governments in other parts of the country. The Directory helped to provide
much of the necessary information. This report adds to that effort by examining
the role that state legislatures take in dealing with small business. It identi-
fies the small business legislation that has been enacted in recent years, and
it describes the various legislative structures that have been established to
deal with small business issues.

We hope that these two publications can contribute to the exchange on information
and ideas that is necessary for all of those who are concerned about the future
vitality of the small business sector in our economy.

Office of the Chief Counsel for Advocacy
U. S. Small Business Administration
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward</td>
<td>11</td>
</tr>
<tr>
<td>Research Team</td>
<td>v</td>
</tr>
<tr>
<td>Background and Findings</td>
<td>vi</td>
</tr>
<tr>
<td>Topical Definitions</td>
<td>xii</td>
</tr>
<tr>
<td>Survey Charts of the Fifty States</td>
<td>1</td>
</tr>
<tr>
<td>Telephone Survey Questionnaire</td>
<td>4</td>
</tr>
<tr>
<td>State Summaries and Survey Results</td>
<td>6</td>
</tr>
<tr>
<td>Alabama</td>
<td>7</td>
</tr>
<tr>
<td>Alaska</td>
<td>9</td>
</tr>
<tr>
<td>Arizona</td>
<td>12</td>
</tr>
<tr>
<td>Arkansas</td>
<td>14</td>
</tr>
<tr>
<td>California</td>
<td>17</td>
</tr>
<tr>
<td>Colorado</td>
<td>22</td>
</tr>
<tr>
<td>Connecticut</td>
<td>24</td>
</tr>
<tr>
<td>Delaware</td>
<td>28</td>
</tr>
<tr>
<td>Florida</td>
<td>30</td>
</tr>
<tr>
<td>Hawaii</td>
<td>33</td>
</tr>
<tr>
<td>Idaho</td>
<td>36</td>
</tr>
<tr>
<td>Iowa</td>
<td>38</td>
</tr>
<tr>
<td>Kansas</td>
<td>40</td>
</tr>
<tr>
<td>Kentucky</td>
<td>43</td>
</tr>
<tr>
<td>Maine</td>
<td>45</td>
</tr>
<tr>
<td>Maryland</td>
<td>47</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>50</td>
</tr>
<tr>
<td>Michigan</td>
<td>54</td>
</tr>
<tr>
<td>Minnesota</td>
<td>56</td>
</tr>
<tr>
<td>Mississippi</td>
<td>59</td>
</tr>
<tr>
<td>Montana</td>
<td>62</td>
</tr>
<tr>
<td>Nebraska</td>
<td>65</td>
</tr>
<tr>
<td>Nevada</td>
<td>67</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>69</td>
</tr>
<tr>
<td>New Jersey</td>
<td>71</td>
</tr>
<tr>
<td>New York</td>
<td>74</td>
</tr>
<tr>
<td>North Carolina</td>
<td>77</td>
</tr>
<tr>
<td>North Dakota</td>
<td>79</td>
</tr>
<tr>
<td>Ohio</td>
<td>81</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>84</td>
</tr>
<tr>
<td>Oregon</td>
<td>86</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>89</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>91</td>
</tr>
<tr>
<td>South Carolina</td>
<td>93</td>
</tr>
<tr>
<td>South Dakota</td>
<td>95</td>
</tr>
<tr>
<td>State</td>
<td>Page</td>
</tr>
<tr>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>Tennessee</td>
<td>97</td>
</tr>
<tr>
<td>Texas</td>
<td>99</td>
</tr>
<tr>
<td>Utah</td>
<td>102</td>
</tr>
<tr>
<td>Vermont</td>
<td>104</td>
</tr>
<tr>
<td>Washington</td>
<td>106</td>
</tr>
<tr>
<td>West Virginia</td>
<td>113</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>115</td>
</tr>
<tr>
<td>Wyoming</td>
<td>120</td>
</tr>
</tbody>
</table>

Appendix

Small Business Survey Telephone Interviews (selected samples)  122

Contact List for State Survey of Small Business Legislative Activity  134

1979 State Legislative Session Dates  139
RESEARCH TEAM

This research project was directed by Mr. Michael A. Daniels, Esq. Mr. Daniels has been directly involved in small business for over fifteen years. Mr. Daniels serves as the Chief Small Business Consultant for the National Conference of State Legislatures (NCSL). Mr. Daniels received his B.S. and M.A. degrees from Northwestern University, Evanston, Illinois. He received his J.D. degree from the University of Missouri School of Law, Columbia, Missouri.

Mr. Ken Hotard served as the research assistant on this project. Mr. Hotard received his B.S. degree from the University of Colorado, Boulder, Colorado and is currently completing his M.P.A. degree at the University of Colorado. He serves as a research assistant with the National Conference of State Legislatures (NCSL).

The National Conference of State Legislatures (NCSL) is the official organization representing the nation's 7,600 state legislators. The National Conference of State Legislatures (NCSL) is headquartered in Denver, Colorado. NCSL's Office of State-Federal Relations is located in Washington, D.C.
BACKGROUND AND FINDINGS

This is the first national study of the state legislature small business relationship. The report was initiated by the Office of the Chief Counsel for Advocacy, U. S. Small Business Administration. The study was conducted by the National Conference of State Legislatures (NCSL), the official body representing the nation's 7,600 state legislators.

The Office of the Chief Counsel for Advocacy selected the National Conference of State Legislatures (NCSL) to perform this initial pilot project because of the unique expertise of NCSL in state legislature's affairs and processes.

Three primary questions were posed to state legislatures in the survey on which this report is based: (1) how is the state legislature structured to handle small business matters; (2) what recent legislative activity has there been in the small business area; and (3) what are the primary thrusts in the small business area at the state legislative level? The open ended questionnaire used in this survey is attached as an appendix.

It must be kept in mind that the survey was conducted under extreme time constraints. The entire project was completed in a sixty-day period from July 1, 1979 - August 31, 1979. The level of response was gratifying considering that most all state legislatures were in recess during this data collection and analysis period.

All fifty (50) state legislatures were contacted during the survey. Forty-three (43) states responded to the questionnaire at the close of the formal data collection period. Interest on the part of state legislatures was extremely high. Without exception, state legislators contacted asked that they be informed of the results and all other research of this type sponsored by the Office of the Chief Counsel for Advocacy, Small Business Administration.

Several general observations can be drawn from the survey results and telephone conversations with each respondent. First, the issue of promotion of small business by governmental action is an issue whose time has come. Whenever the issue was raised at the state legislative level respondents were reasonably familiar with small business problems and fairly well acquainted with the significant contribution made by small business to the stability and growth.
of the national and state economies. Second, many of the major initiatives
in the small business area have been primarily developed by the legislatures
in most states. This survey reinforces the theory that many small business
matters are initially tackled at the legislative level and carried through
to successful enactment into law of pro-small business legislation. Equally
important is the role of state legislatures in repealing, modifying or altering
legislation or other governmental action which hinders small business develop-
ment.

Other frequent comments during the survey would suggest the following obser-
vations:

- Most state legislatures have no specific structural mechanism for
  handling small business matters per se.
- Most state legislatures make no distinction between general business
  concerns and small business matters in handling legislation.
- There are significant geographic and demographic differences in
  handling small business concerns at the state legislative level.
- There is no standard or uniform definition of what a "small business"
  is across state legislatures, this varies on a state by state basis.
- The major problem identified by state legislatures regarding small
  business is that there is really no voice for small business being
  heard at the state legislative level.
- Most state legislators believe small business people do not under-
  stand the state legislative processes and are therefore ill informed
  and ineffective.
- Most state legislators believe small business has generally taken a
  "negative" approach (anti-government) instead of a more positive,
  constructive approach to small business problems.
- Minority businesses have been extremely effective compared to small
  businesses generally, because they have effectively pushed for
  "constructive, new programs" at the state legislative level.
- Most state legislators are convinced that state legislatures can
  aid and assist small business through effective legislative action.
- Each state is unique in its business climate and therefore no one
  set program in the small business area is an ultimate answer -- what
  is required are alternative models and options to be tailored to
  each state's needs.
- Very few legislators concerned with small business matters in their particular state know what any other state is doing in the small business area.
- State legislators tend to believe that a reduction in government regulation and taxation would significantly aid small business enterprises.
- There is a growing interest at the state legislative level in specifically investigating key problems of the small business sector and instituting legislation to assist this sector.
- State legislative initiatives in the small business area have dramatically increased in the last 3-5 years.
- State legislators believe that the small business community has not effectively analyzed how its major concerns differ from large businesses concerns and has not presented this type of information to the state legislatures.

During this study, three state legislatures were identified as being extremely active in promoting the interests of the small business community in their particular state: California, Washington, and Connecticut.

Three of the most interesting and innovative state legislative initiatives pinpointed by the survey were:

1. California's Senate Select Committee on Small Business Enterprises
2. Washington's one stop licensing program
3. New Jersey's Office of Promoting Technical Innovation

California's Senate Select Committee on Small Business Enterprises was formally instituted by the California legislature in 1973. It was specifically set up to promote small business concerns in the state capitol of Sacramento. It should be noted that the work of the Committee is largely investigative. Hearings, staff research, surveys, questionnaires, and discussions on a statewide basis with businessmen and women are employed in order to educate the state legislature about small business problems. This Committee, currently chaired by Senator David A. Roberts, has led legislative initiatives in the following areas:

1. Elimination of the California Business Inventory Tax;
2. establishment of a small business loan program;
3. elimination of government paperwork requirements;
4. reduction of increasing products liability premiums;
5. reforms in California's warranty laws;
6. assistance to alternative energy industrial development.

This Committee has been extremely active in the California Legislature and is assisted by a statewide Advisory Board composed of business owners and leaders throughout California.

Washington state has initiated a program known as "one stop licensing". Originally authorized by the Washington Legislature under Section 43.31.870 et. seq. Revised Code of Washington, the pilot program was for grocery stores only, but the program has now been expanded to include other businesses. The Business License Center established under this legislation has been extremely effective in reducing the total number of licenses required to do business in the state of Washington as well as providing an efficient manner by which to obtain these licenses.

It is also worth noting that the 1979 legislature passed eighteen separate bills that directly affect small business. Topics of these very recent bills include: procurement; state obligations; financial assistance; cost reductions; access to the courts; and tax reduction. Summaries of all recent legislation are included in the State of Washington survey section.

Examples of recent legislative initiatives in a cross section of states include the following:

(a) Mississippi - In the 1979 legislative session, the legislature enacted HB 1024, effective February 1, 1980. This legislation changes the name of the Mississippi Agriculture and Industrial Board to the Mississippi Board on Economic Development and creates a special department and divisions with specific functions, among them the encouragement of new and expanding industries.

(b) Ohio - the Ohio House of Representatives created the Small Business and General Business Committee in January, 1979. The creation of this committee was the result of a recommendation of the Joint Select Committee on the Problems of Small Business that each house create such a committee to handle small business matters.

(c) North Dakota - the State of North Dakota is unique in that it is the only state with a state-owned bank. The Bank of North Dakota
was established through legislative action in 1919 and has been extremely active in providing loans to small businesses throughout its history. The Bank cooperates heavily in aiding small businesses by working in conjunction with the U. S. Small Business Administration.

Hawaii - T. C. Yim, Chairman of the Senate Economic Development Committee is currently conducting an interim study on small business assistance. This study should provide a basis for specific legislative consideration by the Hawaii Legislature in forthcoming sessions.

Current legislative trends of the state level indicate that the following programs are considered primary assistance vehicles for small business:

1. Special committees in the legislatures dealing with small business concerns per se.
2. Procurement set-asides being established or increased for small and/or minority owned firms.
3. Management training programs through state university systems to upgrade management skills in the small business community.
4. Regulating reduction legislation in the paperwork, products liability and taxation areas.
5. Establishing government-industry advisory boards to provide communication channels for small business.

A final point should be made concerning why state legislatures appear to have become extremely interested in the small business area. Three key factors appear to be at work on the state legislative consciousness in the small business area. First, and most importantly, is the perception at the state legislative level that economic problems will dominate the 1980's. State legislatures, therefore, have apparently concluded that small business plays a vital role in the economic growth and stability of their individual states and in the national economy as a whole. Promotion of small business interests is increasingly viewed as necessary to strong state economies. Secondly, the federal level attention and media coverage of small business problems (including too much governmental regulation) has highlighted and given emphasis to the entire area of "small business". Current SBA efforts at all levels were regularly mentioned by survey respondents as quite helpful and necessary to capturing people's attention and
concern about small business. Third, state legislatures are composed of a cross-section of citizens of this country. Many state legislators are, themselves, small business owners, operators, and employees. These state legislators, possibly more than any other group in governmental service, live each day with the multiple problems of small businesses. These people know the day-to-day situation and are therefore personally interested and committed to building this sector of the national economy. State legislators in this category appear increasingly committed to significant measures which can assist small business.
TOPICAL DEFINITIONS

The survey charts which follow are arranged alphabetically by state and by topical category of information elicited from survey respondents. At the top of the summary charts which follow on the next two pages, twelve (12) information categories are reflected. Bare in mind that these categories all pertain primarily to activities in which the state legislatures have been centrally involved. Following are brief definitions of the topical categories:

1. **Key Committee(s) Identified**: The primary legislative committees where small business concerns are considered in each respondent state.

2. **Recent Legislative Activity**: Significant legislative considerations in the state legislatures within the past 1-3 years.

3. **Pending Legislation**: Identification of whether any small business legislation is currently being considered in the legislature.

4. **On-Going Projects or Studies**: The current state of small business research undertaken by the state legislatures. Is there any?

5. **Small Business Office**: Identification of whether a specific state office exists to handle "small business" concerns.

6. **Complaint Handling**: Identification of whether problems regarding small business, from the small business community, are handled in the state by specific mechanisms established for that purpose.

7. **Economic Development**: Identification of whether the state legislature has been directly involved in state economic development legislation pertaining exclusively to small business.

8. **Education/Management Assistance**: Identification of whether the state legislature has been directly involved in passage of legislation setting up education/management assistance programs for small business.

9. **Procurement Program**: Identification of those state legislatures which have passed specific small business procurement legislation.

10. **Loan Program**: Identification of those state legislatures which have passed specific small business legislation relating to loans or financial assistance.

11. **Advisory Panel**: Identification of those states where small business advisory panels have been set up with state legislative encouragement.

12. **Other Significant Programs**: This was an open-ended question which allowed respondents to identify any state programs of major significance which currently affect or could affect small business interests.
SURVEY CHARTS OF THE FIFTY STATES
<table>
<thead>
<tr>
<th>Other Significant Programs</th>
<th>Key Committee(s) Identified</th>
<th>MISSISSIPPI</th>
<th>MINNESOTA</th>
<th>MICHIGAN</th>
<th>MASSACHUSETTS</th>
<th>MARYLAND</th>
<th>MAINE</th>
<th>LOUISIANA</th>
<th>KENTUCKY</th>
<th>KANSAS</th>
<th>KENTUCKY</th>
<th>ILLINOIS</th>
<th>IOWA</th>
<th>NEW JERSEY</th>
<th>FLORIDA</th>
<th>COLORADO</th>
<th>ALABAMA</th>
<th>ALABAMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

** Note: Key Committee(s) Identified for each state and category.
<table>
<thead>
<tr>
<th><strong>No response</strong></th>
<th><strong>Key Committee(s) Identified</strong></th>
<th><strong>Recent Legislative Activity</strong></th>
<th><strong>Pending Legislation</strong></th>
<th><strong>On-Going Projects or Studies</strong></th>
<th><strong>Small Business Office</strong></th>
<th><strong>Complaint Handling</strong></th>
<th><strong>Economic Development</strong></th>
<th><strong>Education/Mgmt. Assistance</strong></th>
<th><strong>Procurement Program</strong></th>
<th><strong>Loan Program</strong></th>
<th><strong>Advisory Panel</strong></th>
<th><strong>Other Significant Programs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wyoming</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>West Virginia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Virginia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Washington</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Utah</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Texas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>South Dakota</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>North Dakota</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Montana</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nebraska</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key Committee(s) Identified</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recent Legislative Activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pending Legislation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>On-Going Projects or Studies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Small Business Office</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Complaint Handling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Economic Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Education/Mgmt. Assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Procurement Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loan Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Advisory Panel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Significant Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TELEPHONE SURVEY QUESTIONNAIRE
Telephone Survey Questions - Regarding: Small Business Legislation

1. Where are small business matters handled in the state legislature? (How is the state legislature structurally set up to handle small business matters?).

2. What small business legislative activities or initiatives exist regarding the establishment and/or maintenance of:
   a. Procurement Programs
   b. Complaint Handling
   c. Economic Development
   d. Education/Management Assistance
   e. Loan Programs
   f. Advisory Panel
   g. Other Significant Programs

3. What current state legislative programs exist in the small business domain? (In contrast to Question #2, the response should include any pending legislation, interim studies, projects, etc.)

4. What current state legislative initiatives exist in encouraging, promoting and assisting small businesses?

5. What exactly is the status of small business concerns and interests in the state legislature? (Has the legislature generally been supportive, non-supportive or indifferent toward small business?)

Each respondent was requested to send as much written material, i.e., legislation, reports, studies, etc., as was practicable.
STATE SUMMARIES
AND
SURVEY RESULTS
Small business matters in the Alabama Legislature are generally handled according to the subject matter of a particular bill. Alabama has no standing committees on small business and the subject matter of a bill is the only criterion used in determining which committee would hear a bill that affects small business.
I. Procurement Program

A. Goal - A meaningful percentage, not less than 10 percent of the annual value of any department's or agency's total purchases shall be awarded to small business.

B. Definition - "Small Business" is a business which is independently owned and operated. In addition, such business must have either fewer than 50 employees or less than $1,000,000 in gross receipts per year.

C. Other procurement Activities - The Department of Industrial Relations is authorized and empowered to -

1. Provide technical and managerial assistance to small business
2. Make a complete inventory of all productive facilities of small business concerns in the state
3. Coordinate and ascertain the means by which the productive capacity of small business concerns can be most effectively utilized
4. Assist small business subcontractors in obtaining subcontracts from prime contractors in the state
5. Assist small business in obtaining state contracts
6. Make studies, conduct workshops and make recommendations to state agencies in order to increase the small business share of state procurement awards
7. Coordinate the efforts of various groups, associations and government agencies interested in small business matters

D. Advisory Council - There is an advisory board established by the legislation to assist and advise the director of the department with regard to the duties outline above

E. Authorization - Section 25-10-1 et.seq. Code of Alabama

No special structure for handling small business matters was identified by the survey.
ALASKA

In the Alaska State Legislature small business matters are generally handled in a flexible manner. The presiding office assigns a particular matter to the appropriate subject matter committee. Small business matters are usually referred first to the commerce committee of either house and secondly to the judiciary or finance committees, depending on whether the matter has fiscal impact.

Recent developments in Alaska's legislature in the small business area are (1) introduction of legislation on bidder's preference which would change existing law on the lowest bidder and give preference to small business, and (2) creation of the Small Business Development Corporation of Alaska which is intended to assist in new financing of industrial and manufacturing plants, construction, conversion and expansion of facilities.
I. Key Committee(s) Identified

A. Senate
Commercial Committee
Chairman: W. E. Bradley (R)
State Capitol
Juneau, AK 99811
(907) 465-2111

Judiciary Committee
Chairman: Robert H. Ziegler (D)
State Capitol
Juneau, AK 99811
(907) 465-2111

B. House
Commercial Committee
Chairman: Fred Brown (D)
State Capitol
Juneau, AK 99811
(907) 465-2111

Judiciary Committee
Chairman: Charles H. Parr (D)
State Capitol
Juneau, AK 99811
(907) 465-2111

II. Pending Legislation

A. Procurement Program

1. Legislation is pending on matter of bidder's preference which would change existing law on lowest bidder and give preference to small businesses.

III. Education/Management Assistance

A. Creation of the Small Business Development Corporation of Alaska

1. Purpose - Assist in new financing of industrial and manufacturing plants, construction, conversion or expansion, including the acquisition of land by means of loans to local development companies.

2. Authorization - Section 421-60.010 et. seq. of Alaska Statutes

IV. Loan Program

A. Small Business Revolving Loan Fund

1. Use of Proceeds - To acquire, finance or refinance or equip small businesses.
2. Definition - "Small Business" is one with fewer than 50 employees and less than $2,000,000 in gross receipts.

3. Terms and Conditions
   a. No more than $300,000 per loan
   b. 8% interest per annum
   c. 15 year term

4. Authorization - Section 45.95.010 et. seq. of Alaska Statutes
ARIZONA

In the Arizona State Legislature there is no specific small business committee in either house. Legislation pertinent to small business is handled by the appropriate committee depending upon the subject content. In the Senate, legislation of small business concern would typically be handled by the Senate Commerce and Labor Committees and the Senate Government Committee. In the House, legislation would go to the Commerce Committee and the Government Operations Committee.

Arizona's laws are not generally geared directly to small business. Specific exceptions to this general situation are the recent adoption of a close corporation act to simplify incorporation procedures for small family corporations as closely held corporations, and the 1979 session passage of a bill relating to income taxation of small business corporations. This bill conforms Arizona's treatment of small business corporations, for the purposes of taxation, with the federal provisions. Qualifying small business corporations (Subchapter S) are not required to pay corporate income tax, instead the income of the corporation is taxed on each shareholder's individual return.
ARIZONA

Key Committee(s) Identified                  Economic Development
Recent Legislative Activity               Education/Mgmt. Assistance
Pending Legislation                       Procurement Program
On-Going Project or Studies                 Loan Program
Small Business Office                      Advisory Panel
Complaint Handling                         Other Significant Programs

I. Key Committee(s) Identified

A. Senate

Commerce and Labor Committee
Chairman: Jim Mack (R)
State Capitol
Phoenix, AZ 85007
(602) 255-4900

Government Committee
Chairman: Rod J. McMullin (R)
State Capitol
Phoenix, AZ 85007
(602) 255-4900

B. House

Commerce Committee
Chairman: James J. Skelly (R)
State Capitol
Phoenix, AZ 85007
(602) 255-5503

Government Operations Committee
Chairman: James B. Ratcliff (R)
State Capitol
Phoenix, AZ 85007
(602) 255-5872

II. Recent Legislative Activity

In 1979 session, a bill (Subchapter S Corporations) was passed which exempts small businesses from corporate income tax; instead, the income of the small business (corporation) is taxed on each shareholder's individual return.

No programs specifically designed for small business were identified by the survey.
ARKANSAS

In the Arkansas State Legislature problems, issues and concerns related to small business operations and development are usually handled according to subject matter by one of two standing committees. These committees are the Committee on Insurance and Commerce and the Committee on Economic and Industrial Resources and Development.

Recent legislation of significant impact on small business concerns was the passage in the Arkansas General Assembly of legislation creating a Department of Economic Development (DED). Several new divisions are included in the DED, one of which is a Small Business Assistance Division. Location of this division in the DED recognizes the role of small business in economic development and indicates a strong commitment by Arkansas and the State Legislature specifically to encourage and support small business. The three primary stated purposes of this legislation, as pertaining to small business are:

- To create or retain private unsubsidized jobs and increase real income levels in Arkansas by stabilizing existing and creating new small business in the state.
- To provide a coordinated forum to address the needs and opportunities of small business in Arkansas.
- To provide the focal point in the Department of Economic Development for addressing the needs of small businesses in Arkansas.
Arkansas

<table>
<thead>
<tr>
<th>Key Committee(s) Identified</th>
<th>Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Legislative Activity</td>
<td>Education/Mgmt. Assistance</td>
</tr>
<tr>
<td>Pending Legislation</td>
<td>Procurement Program</td>
</tr>
<tr>
<td>On-Going Project or Studies</td>
<td>Loan Program</td>
</tr>
<tr>
<td>Small Business Office</td>
<td>Advisory Panel</td>
</tr>
<tr>
<td>Complaint Handling</td>
<td>Other Significant Programs</td>
</tr>
</tbody>
</table>

I. Key Committee(s) Identified

A. Senate

- Insurance and Commerce Committee
  - Chairman: Olen Hendrix (D)
  - State Capitol
  - Little Rock, AR 72201
  - (501) 371-3000

- Economic and Industrial Resources and Development Committee
  - Chairman: William D. Moore, Jr. (D)
  - State Capitol
  - Little Rock, AR 72201
  - (501) 371-3000

B. House

- Insurance and Commerce Committee
  - Chairman: W. H. Thompson (D)
  - State Capitol
  - Little Rock, AR 72201
  - (501) 371-3000

- Economic and Industrial Resources and Development Committee
  - Chairman: Jim Linder (D)
  - State Capitol
  - Little Rock, AR 72201
  - (501) 371-3000

II. Small Business Office

A. Legislation passed in the 1979 session creating a Department of Economic Development, one component of which is a Small Business Assistance Division. Contact: James Jones, Management Consultant (501) 371-1121.

B. Purpose: To create or retain private unsubsidized jobs and increase real income levels in Arkansas by stabilizing existing and creating small businesses in the state;

   - To provide a coordinated forum to address the needs and opportunities of small businesses in Arkansas;
   - To provide the focal point in the Department of Economic Development for addressing the needs of small business in Arkansas.

C. Goals: To provide to the public information on resources for financial and managerial assistance targeted to small businesses;

   - To provide to the public information on legislation, regulations, policies, and practices of government which affect the creation and operation of small business firms in Arkansas;
ARKANSAS (cont'd)

To create and provide services which are presently not available to small businesses;

To serve as an advocate for small businesses;

To promote the division and assistance programs for small business through a public awareness campaign;

To operate the division efficiently and effectively;

To initiate, develop, and administer the small business development center program in Arkansas.
California's State Legislature has been a leader in the United States in structuring a legislative environment conducive to the promotion of small business concerns.

In 1973, the California Legislature formally instituted the Senate Select Committee on Small Business Enterprises to promote small business concerns in Sacramento. The work of the Committee is largely investigative. Hearings, staff research, surveys, questionnaires, and discussions with local businessmen and women are often employed to educate the legislature about small business problems. Legislative measures to fight burdensome government paperwork imposed on business and a bill establishing a small business loan program were passed as a result of the efforts of the Committee. Other legislation sponsored by the Committee includes a measure to eliminate the business inventory tax, a measure designed to reduce skyrocketing products liability premiums, small business tax assistance, reforms in California's warranty laws, and a bill to assist California's growing alternative energy industry.

The Committee is assisted in its work by a statewide Advisory Board composed of business owners and leaders throughout California. Over the years, the SBE Committee has held numerous hearings in an effort to learn first hand the problems facing small business. During the last two legislative sessions, the Committee has invited testimony on various issues, including products liability, business taxation, revitalization of urban business cores, small business financing, and state regulations as they impact business.

Significant recent legislative developments include SB40 (Business and Industrial Development Corporations) which vests the supervision, examination, licensure and control of state development companies (BIDCO's) with the State Superintendent of Banks. This increased supervision will allow BIDCO's to participate in the guaranteed loan program of the federal Small Business Administration (SBA). Significant hearings were held on products liability and its impact on the small business community during the last legislative session.
I. Key Committee(s) Identified

A. Senate

Select Committee on Small Business Enterprises
Chairman: David A. Roberti
1116 Ninth Street - Room 21
9th & L Building
Sacramento, CA 95814
(916) 322-3960

II. Recent Legislative Activity

A. SB 40

1. Business and Industrial Development Corporations (BIDCO)
   a. Allows BIDCO's to participate in the guaranteed loan program of the Federal SBA
   b. Guarantees loans made by BIDCO's to small businesses
   c. Intended to encourage expansion in small and medium-sized businesses which otherwise are unable to obtain debt financing
   d. Cost of regulation borne by BIDCO's through licensing fees.

   CHAPTER 1164, STATUTES OF 1977

B. SB 300

1. Small Business Exemption would phase in a complete exemption of the first $12,500 of assessed value of business inventories over a five year period in increments of 10% per year.

   DIED IN SENATE REVIEW AND TAXATION COMMITTEE

C. AB 529

1. Small Business Exemption would have given the taxpayer with worldwide annual sales of $10,000,000 or less the option of choosing either the present 50% exemption for the full value of inventories assessed, or a full 100% exemption of the first $4,000 assessed value of inventories, whichever is larger.

   DIED IN ASSEMBLY WAYS AND MEANS COMMITTEE
D. AB 1289

1. Small Business Utility Consumers would have established the California Small Utility Consumer Action Group (SUCAG) an independent, non-profit organization, to represent the interests of residential and small business utility consumers before state regulatory bodies.

FAILED PASSAGE IN SENATE PUBLIC UTILITIES, TRANSIT AND ENERGY COMMITTEE

III. Pending Legislation

A. AB 1153

1. Small Business Exemption would have given the business taxpayer the option of choosing either the present exemption for business inventories, or a full 100% exemption of the first $50,000 of assessed value, whichever is greater. HELD UNDER SUBMISSION IN ASSEMBLY REVENUE AND TAXATION COMMITTEE

IV. Small Business Office

A. Office of Small Business Development


2. Powers, duties and services -
   a. Financial assistance in the form of loan guarantees
   b. Management assistance
   c. Public relations services
   d. Representation of small business interests before Congress, the Legislature and state and federal agencies
   e. Provide central reference and general counseling services to assist small business in their operations including information on governmental requirements such as taxation, accounting and pollution control
   f. Assistance in the formation of Regional Development Corporations

3. Advisory Board - A Small Business Development Board administers the program


V. Procurement Program

A. Goals - No specified goals. The Director of General Services may specify goals. When responsibility and quality are equal small business shall be
CALIFORNIA (cont'd)

given a preference if the small business' bid is with 5 percent of that of the lowest responsible bidder meeting specifications.

B. Definition - "Small Business" means a business in which the principal office is located in California, and the offices of such business are domiciled in California which is independently owned and operated, and which is not dominant in its field of operation.

In addition to the foregoing criteria the director, in making a detailed definition, shall use dollar volume of business as a criterion in addition to other criteria. The maximum number of employees and the maximum dollar volume which a small business may have under the definition shall vary from industry to industry.

C. Small Business Procurement Office.
1. Located in Department of General Services
2. Duties -
   a. Compile and maintain comprehensive bidders list of qualified small businesses
   b. Coordinate efforts of Small Business Administration and the state agencies
   c. Assist small business in complying with procurement procedures
   d. Work with appropriate organizations to disseminate information on program
   e. Assist state agencies in determining which invitations to bid would be appropriate for a small business preference
   f. Make recommendations to improve bidding procedures

D. Authorization - Section 14835 et. seq. of California

VI. Loan and Economic Development Program - Small Business Expansion Fund (Note: of Small Business Development and Development Board administers program)

A. Generally, can be used for any appropriate small business purpose, loan guarantees are made through Regional Development Corporations from Small Business Expansion Fund through Small Business Development Loan Guarantee Fund.

B. Definition - "Small Business" is a business as defined by Part 121, Title 13 of Code of federal Regulations

C. Terms and Conditions - Vary - historically, interest rate has been approximately two points above prime
CALIFORNIA (cont'd)

D. Authorization - Section 14000 et. seq. of California Corporation Code

VII. Small Business Loan Program

A. Administered by Banking Superintendent

B. Loans made directly by banks and there is a premium charged which is placed in the Small Business Loan Reserve Fund. Borrower, the lender and state pay into the fund in an equal and matching amount. The premium charged by lender is between 6 percent to 15 percent.

C. Authorization - Section 3800 et. seq. of California Financial Code

VIII. Forms Management

A. Purpose - To reduce duplicative and burdensome paperwork through the coordination, orderly design, implementation and maintenance of a statewide forms management program

B. Authorization - Section 43.19.510 of California Government Code
COLORADO

In the Colorado State Legislature small business matters are handled by the House and Senate Committees on Business Affairs and Labor. Legislative initiatives regarding small business matters per se are handled by individual legislators via the introduction of bills. No special legislative programs exist for small business.
I. Key Committee(s) Identified

A. Senate

Business Affairs and Labor Committee
Chairman: Robert S. Wham (R)
State Capitol
Denver, CO 80203
(303) 839-9911

B. House

Business Affairs and Labor Committee
Chairman: Steven J. Durham
State Capitol
Denver, CO 80203
(303) 839-3006

II. Recent Legislative Activity

1. HB 1462 - Would have exempted a portion of the corporate net income of small businesses from taxation. FAILED IN COMMITTEE

2. HB 1497 - "Colorado Business Opportunities Act" Generally would have required formal disclosure, by the seller, of intent to sell a business opportunity. FAILED IN COMMITTEE
CONNECTICUT

In the Connecticut General Assembly small business matters are handled by the Joint Standing Committee on Planning and Development which has jurisdiction over economic development matters. The Connecticut General Assembly has been extremely active in the promotion of small business matters which has resulted in Connecticut being a leader in state small business legislation.

The Connecticut General Assembly has passed legislation resulting in the following programs of specific assistance to small business:

1. The Umbrella Bond Financing Program
2. Working Capital Loans
3. The Surety Guarantee Program
4. Coordination of Product Development Corporation
5. Development Credit Corporation
6. Job Incentive Grants
7. The Urban Jobs and Redevelopment
8. State Tax Benefits
I. Key Committee(s) Identified

A. Joint Planning and Development Committee
   Co-Chairman: Senator Sanford Cloud, Jr. (D)
   Co-Chairman: Representative Joseph J. Farricielli (D)
   Room 417, State Capitol
   Hartford, CT 06115
   (203) 566-5714

II. Recent Legislative Activity

A. Umbrella Bond Program
   1. The Umbrella Bond Program administered by the Connecticut Development
      Authority is intended to assist smaller companies which are not large
      enough to obtain financing through traditional revenue bonds. These
      bonds are repaid through revenues derived from the projects financed,
      and are secured additionally by the Connecticut Development Authority
      and in certain cases by the credit of the state.
   2. Financing for land, buildings, machinery and equipment, and pollution
      control facilities are available under this program. Loans can be
      made for any amount up to $1,000,000 per project, of which not more
      than $500,000 can be used for machinery and equipment.

B. Small Contractor Surety Guarantee Program
   1. This program permits the Commissioner of Economic Development to
      guarantee up to 90% of bid and performance bonds given by private
      surety companies to small contractors whose annual gross income is
      not greater than $1,000,000 and who meet certain other conditions.
   2. The Commissioner of Economic Development may guarantee up to certain
      limits:
      a. A bid bond which a contractor bidding on a public or private
         job may be required to post to ensure into a contract if his
         bid is accepted;
b. A performance bond which he may have to post to ensure that the terms of
the contract are fulfilled.

3. Bonds in the Amount of $5,000,000 have been authorized for the program.

4. Authorization - Public Act 79-611

III. Small Business Office

A. The Office of Small Business is located in the Department of Economic
Development. Contact Frank Silva - (203) 566-4051

B. Powers, duties and services -

1. Administer set-aside program for small business

2. Administer the small business development center

3. Coordinate the flow of information within the technical and management
assistance programs run by the department

4. Encourage the Connecticut Development Authority to grant loans
to small business

5. Coordinate and serve as liaison between all federal, state, regional
and local agencies concerned with small business affairs

C. Authorization - Connecticut Public Act 77 - 508

IV. Procurement Program

A. Goal - the total value of contracts or portions thereof to be set-aside
shall be at least fifteen percent but no more than twenty-five percent
of the average of the total value of contracts let for each of the previous
three fiscal years.

B. Definition - "Small Contractor" shall mean contractors who have been
engaged in construction, manufacturing or services and have been doing
business in Connecticut for a period of not less than one year whose
gross revenues were not more than $1,000,000 for the previous fiscal
year and whose principal offices and place of business are in the State
of Connecticut and have been in the State of Connecticut for at least one year.

C. Office of Small Business Affairs assists in the development of bidder
lists.


V. Loan Program - Samll Contractors' Revolving Loan Fund

A. Use of Proceeds - Funds under this program must not be used to repay existing
obligations, purchase fixed assets, finance receivable or inventory, but shall
be used solely for labor and materials to perform specific contracts.
B. Terms and Amount of Loan

1. The term shall not exceed twelve months from date of first disbursement.

2. Loans will be limited to $100,000 but cannot exceed the amount of the contract estimated to cover labor and material costs of the contract.

3. Interest is one percent above the interest paid by the State of Connecticut on the latest general obligation bonds issued prior to the date of the loan commitment.

C. Definition - Small contractors must have been in operation and doing business in Connecticut for period of not less than one year prior to the date of application, and principal offices and place of business are in Connecticut and have been in Connecticut for at least one year prior to the date of application. Gross revenues must not exceed one million dollars in the previous year.

D. Program is administered by Connecticut Development Authority.

E. Authorization - Connecticut Public Act 77-370

VI. Other Significant Programs

A. Connecticut Product Development Corporation

1. Connecticut has established a quasi-public corporation to provide venture capital for the development of new products.

   In most situations, a private company incurs 40% percent of the development costs and the CPDC supplies the remaining 60 percent. State funds are to be used solely for development costs.

   CPDC received a return on its investment in the form of a royalty payment if the product is successfully marketed by the company. The royalty rate has been approximately 5 percent - up to 5 times its original investment - funding for the corporation's investments is covered by state general obligation bonds up to $10 million.

In the Delaware General Assembly small business matters are handled by the Labor and Commerce Committee. No special legislative action or programs have been set up specifically for small business.

During the last session of the 130th General Assembly, an aggressive tax incentive program was initiated. By law, exemptions were provided for those companies with $1 million gross and no fewer than 25 employees.
I. Key Committee(s) Identified

A. No special structure set up for handling small business matters. First reference is to subject matter committee(s) however, one key house committee was identified:

Labor and Commerce Committee  
Chairman: Robert L. Maxwell (D)  
Legislative Hall  
Dover, DE 19901  
(302) 678-4119

II. No programs specifically designed for small business were identified by this survey.
The Florida Senate has two committees whose areas of jurisdiction affect the activities of small businesses -- the Committee on Commerce, and the Committee on Economic, Community and Consumer Affairs. The Florida House of Representatives Committee on Tourism and Economic Development has been assigned the jurisdiction over small business on the House side. Although the Senate committee has no specific project work underway, the House committee is tentatively planning to conduct research in the following areas:

1. Local Industrial Development Authorities
2. Downtown Redevelopment
3. Free Trade Zone Activities
4. Interstate Comparisons of Employment Training Activities

The most recent major piece of small business legislation passed in Florida was the 1977 session act entitled, "Small Business Assistance Act". The Act states that the purpose is to promote the establishment, preservation and strengthening of small businesses in Florida. The Act created a Small Business Advisory Council to serve in an advisory role to the Division of Economic Development of the Florida Department of Commerce.
I. Key Committee(s) Identified

A. Senate

Commerce Committee  
Chairman: Wyon D. Childers (D)  
Room 410, Senate Office Building  
State Capitol  
Tallahassee, FL 32304  
(904) 487-1706

Economic, Community and Consumer Affairs Committee  
Chairman: Pat Thomas (D)  
Room 432, Senate Office Building  
State Capitol  
Tallahassee, FL 32304  
(904) 488-9045

B. House

Tourism and Economic Development Committee  
Chairman: Barry Kutun (D)  
Room 322, House Office Building  
State Capitol  
Tallahassee, FL 32304  
(904) 488-9045

II. On-Going Projects or Studies

A. The Advisory Council on Intergovernmental Relations (ACIR) has plans to conduct an in-depth research project on Florida's economic development situation. Topic areas will include:

1. The types of businesses that are the source of Florida's economic development;

2. Florida's policy in this area:

3. The relationship of Florida's policy and growth pattern to small businesses.

B. Plans for this project have not been finalized. Contact: Executive Director, Susan Mabe, Suite 40, House Office Building, Tallahassee, FL 32301  
(904) 488-9627
III. Small Business Office

A. The Division of Economic Development of the Department of Commerce is given specific small business responsibilities

B. Powers, duties and services -
   1. Provide a system for the development, collection, helpful to any person establishing or operating a small business
   2. Assist and counsel small businesses on how to deal with federal, state and local governmental agencies: how to meet federal, state and local regulation and policies of federal, state and local governments relating to procurement and disposal of government property and contracts
   3. Receive complaints and suggestions concerning policies and activities of all governmental agencies and work to alleviate any unnecessary adverse effects on small business of government activities

C. Authorization - Section 288.39 of Florida Statutes

IV. Advisory Council

A. The council advises and assists the Division of Economic Development with regard to small business matters.

B. Authorization - Section 288.39 of Florida Statutes
In the Hawaii State Legislature small business matters are generally referred to the Economic Development Committee in the State Senate. If a proposal involved a subject area within the jurisdiction of another committee it would be referred to that committee. Measures requiring the appropriation of state funds or special tax legislation are also referred to the Ways and Means Committee. In the Hawaii House of Representatives there is no committee comparable to the Senate Economic Development Committee. Small business proposals are referred to the appropriate subject matter committees and also to the Finance Committee if appropriations or tax legislation are involved.

At present the Hawaii Legislature has no specific program directed toward issues relating to small business activity. The committee structures of the House and Senate do not facilitate the focusing of attention on small business issues specifically.
HAWAII

Key Committee(s) Identified

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
</table>

Recent Legislative Activity

<table>
<thead>
<tr>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
</table>

Pending Legislation

<table>
<thead>
<tr>
<th>Procurement Program</th>
</tr>
</thead>
</table>

On-Going Project or Studies

<table>
<thead>
<tr>
<th>Loan Program</th>
</tr>
</thead>
</table>

Small Business Office

<table>
<thead>
<tr>
<th>Advisory Panel</th>
</tr>
</thead>
</table>

Complaint Handling

<table>
<thead>
<tr>
<th>Other Significant Programs</th>
</tr>
</thead>
</table>

I. Key Committee(s) Identified

A. Senate

Economic Development Committee
Chairman: T. C. Yim (D)
State Capitol Building
Honolulu, HI 69813
(808) 548-2211

Ways and Means Committee*
Chairman: Benjamin J. Cayetano (D)
State Capitol Building
Honolulu, HI 69813
(808) 548-2211
*Referred if state funds or tax legislation is involved.

B. House

Committees of 1st Reference in the Hawaii House are specific subject matter committees.

Finance Committee*
Chairman: Jack K. Suwa (D)
State Capitol Building
Honolulu, HI 96813
(808) 548-2211
*Referred if appropriations of tax legislation is involved.

II. On-Going Projects or Studies

A. T. C. Yim, Chairman of the Senate Economic Development Committee is currently conducting an interim study on small business assistance.

III. Education/Management Assistance

A. Small Business management program in the University of Hawaii's College on Continuing Education and Community Service.

IV. Loan Programs

A. Capital Loan Program

1. Use of Proceeds - Financing of plant construction, conversion, expansion, also the acquisition of land for expansion, the acquisition of equipment, machinery, supplies or materials, or for the supplying of working capital.

2. Terms and Conditions - No other financial assistance is available. No longer than twenty year term and limit on each loan is $50,000. Interest Rate - 7½%.
HAWAII (cont'd)

3. Definition - "Small Business" is a small business as defined by the federal Small Business Act.

4. Authorization - Section 210-1 et seq. Hawaii Revised statutes

B. Small Fishing Vessel Program

1. Use of Proceeds - For purchase, construction, renovation, maintenance, and repair of small fishing vessels as defined by statute.

2. Terms and Conditions - Similar to Capital Loan Program, except term is limited to ten years.

3. Authorization - Section 189-41 et seq. of Hawaii Revised Statutes
IDAHO

In the Idaho State Legislature small business matters are handled in the Senate by the Commerce and Labor Committee and by the Business Committee in the House. If the subject matter is closely tied to another committee's jurisdiction, such bills will be referred to that particular committee or other structure which exist solely to consider or handle small business matters.
I. Key Committee(s) Identified

A. Senate

Commerce and Labor Committee
Chairman: Larry E. Craig (R)
State Capitol
Boise, ID 83720
(208) 384-2411

B. House

Business Committee
Chairman: Virgil L. Kraus (R)
State Capitol
Boise, ID 83720
(208) 384-2411

No programs specifically designed for small business were identified by survey.
The Iowa Legislature handles its affairs through a traditional committee structure. The committees with primary responsibility and jurisdiction in the area of small business are the House and Senate Commerce Committees. Other Committees, especially Labor and Industrial Relations and Agriculture often deal with small business concerns.

Two bills are being considered in the Iowa Legislature which impact small business. First is SF 102 introduced by Senator Rush, which is a bill for an act to require a statement of economic impact of an administrative rule. Second is HF 45B introduced by Representative Byerly which is a bill for an act to require the General Services Administration to invite bids from small business.

During the past legislative session the unemployment insurance law was reformed to relieve the small business community of the unneeded financial burdens of the old law. Appropriations were made to the corn promotion board, the Iowa Development Commission and for industrial start-up training. Return rates on utility referrals were increased. All of these legislative matters were approved by the Iowa legislature in 1979,
## Key Committee(s) Identified

<table>
<thead>
<tr>
<th>Key Committee(s) Identified</th>
<th>Economic Development</th>
<th>Recent Legislative Activity</th>
<th>Education/Mgmt. Assistance</th>
<th>Pending Legislation</th>
<th>Procurement Program</th>
<th>On-Going Project or Studies</th>
<th>Loan Program</th>
<th>Small Business Office</th>
<th>Advisory Panel</th>
<th>Complaint Handling</th>
<th>Other Significant Programs</th>
</tr>
</thead>
</table>

### I. Key Committee(s) Identified

#### A. Senate

- **Commerce Committee**
  - Chairman: Edgar Holden (R)
  - State Capitol
  - Des Moines, IA 50319
  - (515) 281-5011

- **Labor and Industrial Relations Committee**
  - Chairman: Merlin Hulse (R)
  - State Capitol
  - Des Moines, IA 50319
  - (515) 281-5011

#### B. House

- **Commerce Committee**
  - Chairman: Laverne Schroeder (R)
  - State Capitol
  - Des Moines, IA 50319
  - (515) 281-5011

- **Labor and Industrial Relations Committee**
  - Chairman: Frank Crabb (R)
  - State Capitol
  - Des Moines, IA 50319
  - (515) 281-5011

#### C. Joint Committee

- **Administrative Rules Review Committee**
  - Chairman: Senator Berl E. Priebe (D)
  - State Capitol
  - Des Moines, IA 50319
  - (515) 281-3084

### II. Pending Legislation

#### A. Procurement Program

1. **HF 458** - Would require the General Services Administration to invite bids from small businesses. BILL UNDER CONSIDERATION

#### B. Education/Management Assistance

1. **HF 571** - Establishes a business information system within the Iowa Development Commission.

No existing programs designed specifically for small businesses were identified by the survey.
KANSAS

In the Kansas State Legislature there is no special or separate method or procedure for handling small business matters in the legislatures. Bills affecting small business are assigned to standing committees according to the subject of the bills and the jurisdiction of the committees. Thus, small business legislation might be considered by such committees in the Kansas Legislature as Labor and Industries, Federal and State Affairs, Assessment and Taxation, and Ways and Means. The legislative committees in Kansas receive information and testimony on small business matters and these have resulted in such recent Kansas Legislation as the Small Business Procurement Act (K.S.A. 756001 et. seq.), Development Credit Corporations (K.S.A. 17-2328 et. seq.), and Division of Minority Business Enterprise (K.S.A. 74-5010a et. seq.).
I. Key Committee(s) Identified

A. Bills affecting small business are assigned to standing committees according to subject matter and committee jurisdiction.

B. Some Key committees were identified:

1. Senate
   Labor and Industry Committee
   Chairman: John F. Vermillion (R)
   State Capitol
   Topeka, KS 66612
   (913) 296-7300
   Ways and Means Committee
   Chairman: Winston Winter (R)
   State Capitol
   Topeka, KS 66612
   (913) 296-7300

2. House
   Labor and Industry Committee
   Chairman: Arthur Douville (R)
   State Capitol
   Topeka, KS 66612
   (913) 296-7500
   Ways and Means Committee
   Chairman: Mike Hayden (R)
   State Capitol
   Topeka, KS 66612
   (913) 296-7500

II. Procurement Program

A. Goal - A fair proportion of total purchases, at least 10% of the total dollar amount of purchases.

B. Definition - "Small Business" means a business which is independently owned and operated, not dominant in its field of operation, is not affiliate or division of a larger business, and has as its principal place of business the State of Kansas.

1. Dominant in its field of operation - means exercising a controlling or major influence in a kind of business activity in which a number of businesses are engaged. In determining if a business is dominant, the following criteria, among others, shall be considered: Number of employees; volume of business; financial resources; competitive status or position; ownership or control of materials, processes, patents, license agreements and facilities; sales territory; and nature of business activity. Furthermore, notwithstanding the above criteria, the following businesses shall be deemed dominant in their field of operation.
KANSAS (cont'd)

a. Manufacturing businesses which employ more than fifty (50) persons and have in the preceding three fiscal years exceeded three million dollars ($3,000,000) gross income annually;

b. General construction businesses which in the preceding three (3) fiscal years exceeded one million five hundred thousand dollars ($1,500,000) gross income annually;

c. All other non-manufacturing businesses which employ more than twenty-five (25) persons and have in the preceding three (3) fiscal years exceeded one million five hundred thousand dollars ($1,500,000) gross income annually.

C. Authorization - Sections 75-60001 et. seq. Kansas Statutes
In the Kentucky State Legislature the placement of small business matters is unclear. Statutory jurisdiction appears to allow both the Committee on Business Organizations and Professions and the Committee on Labor and Industry to consider and recommend legislation in the small business area. Neither of these committees has taken any specific action in the area of small business.

The most significant legislative activity in Kentucky was the 1976 General Assembly enactment of the Small Business Purchasing Act requiring the Department of Finance to set aside for small businesses contracts for goods and services required by the state.
I. Key Committee(s) Identified

A. Senate

Business Organizations and Professions Committee  
Chairman: Donald L. Johnson (D)  
State Capitol  
Frankfort, KY  40601  
(502) 564-3130

Labor and Industry Committee  
Chairman: Georgia M. Powers (D)  
State Capitol  
Frankfort, KY  40601  
(502) 564-3130

B. House

Business Organizations and Professions Committee  
Chairman: Terry L. Mann (D)  
State Capitol  
Frankfort, KY  40601  
(502) 564-3130

Labor and Industry Committee  
Chairman: James Bernard Yates (D)  
State Capitol  
Frankfort, KY  40601  
(502) 564-3130

No programs designed specifically for small business were identified by the survey.
In the Maine State Legislature, bills primarily concerned with small businesses are generally referred to the Committee on Business Legislation for public hearing and Committee action. After the Committee reports them out, they are treated by the full legislature in the same manner as any other bill. In sum, Maine has no special procedure for considering small business legislation.

Significant recent legislation includes a 1977 Act which established a modest loan repayment guarantee program under which the State of Maine insures repayment of up to 80% of eligible first mortgage loans to small businesses not exceeding $30,000. In the recently adjourned First Regular Session of the 109th Legislature, a bill that would have established an agency to help small business comply with government regulations was indefinitely postponed. Further, plans to introduce a bill reserving a certain percentage of Maine's procurement business for small businesses were abandoned when it was determined that a mandatory small business set-aside program was unnecessary.
1. Key Committee(s) Identified

   A. Joint Standing Committee

       Business Legislation Committee
       Co-Chairman: John D. Chapman (R)
       Co-Chairman: Robert S. Howe (D)
       Room 135, State House
       Augusta, ME 04333
       (207) 289-2496

2. Loan Program

   A. Loan Insurance Fund

       1. The Maine Small Business Loan Authority is authorized to insure repayment
          of up to 80% of mortgage loans secured by eligible projects.

          a. The loans eligible for insurance involve a principal obligation
             not to exceed $30,000

          b. The lenders are charged a loan insurance premium. Such premiums
             shall not be less than 1/2 of 1% per year nor more than 2% per year
             of the outstanding principal obligation.

       2. Authorization - Title 5, Sections 15-001 et. seq. of Maine Statutes
MARYLAND

In the General Assembly of Maryland there is no single legislative committee which deals with small business matters. Most business and regulatory matters are handled by the Committee on Economic Matters in the House and the Economic Affairs Committee in the Senate. Such legislative areas as Workman's Compensation, new state programs, health and occupational safety matters and various other matters of direct concern to small business are handled by various other committees.

The legislature authorized a Small Business Development Authority (Article 41 Sec. 226 HH let. seg.), and is considering establishing a Small Business Development Corporation or a MESBIC.
MARYLAND

Key Committee(s) Identified
Recent Legislative Activity
Pending Legislation
On-Going Project or Studies
Small Business Office
Complaint Handling

I. Key Committee(s) Identified

A. Senate
Economic Affairs Committee
Chairman: Harry J. McQuirk (D)
Room 5-200, James Office Building
90 State Circle
Annapolis, MD 21401
(301) 269-2371

B. House
Economic Matters Committee
Chairman: Frederick C. Rummage (D)
Room 151, House Office Building
90 State Circle
Annapolis, MD 21401
(301) 269-3471

II. Procurement Program

A. Goal

1. Fair proportion of the state's total purchases for property and services by the Secretary of General Services, Department of Transportation, and the State Department of Education.

2. A small business will receive an award if it is the lowest responsive and responsible bid by a small business, if the bid does not exceed five percent the bid received from the lowest responsive and responsible bidder.

B. Definition

1. The Secretary shall adopt rules and regulations specifying the criteria for qualification as a small business.
MARYLAND (cont'd)

2. The criteria shall include a maximum number for employees and a maximum dollar volume for affiliates. The maximum number of employees and maximum dollar volume computed on annual sales and receipts of a bidder and all affiliates. The maximum number of employees and maximum dollar volume may vary from industry to industry to the extent necessary to reflect difference characteristics. However, with respect to maximum number of employees, a manufacturing business may not employ more than 250 individuals. With respect to maximum dollar volume, a wholesale business may not have annual sales in excess of $2,500,000 for its most recent fiscal year and a retail business or business selling services may not have annual sales and receipts in excess of $5,000,000.

C. Authorization - Article 41, Section 2316-2 et. seq. of Maryland Code

III. Loan Program

A. Small Business Development Financing Fund

1. Purpose - to assist the socially or economically disadvantaged businessman to secure adequate working capital to start, continue, and complete a project awarded the small businessman by a federal, state or local governmental agency.

2. Not yet funded.

3. Authorization - Article 41, Section 266HH-1 Maryland Code
In the Massachusetts Legislature, small business legislative matters are usually handled in the Committees on Commerce and Labor or State Administration.

In the last 2-3 years, the Massachusetts Legislature has been extremely active in supporting small business. In 1976, the legislature established the Massachusetts Small Business Purchasing Program by an original petition of the members of the House. In 1978, the legislature supported the establishment of the Massachusetts Industrial Finance Agency. The legislature was instrumental in establishing the Massachusetts Technical Development Corporation in 1978, the Massachusetts Capital Resource Company and the Massachusetts Community Economic Development Assistance Corporation in 1978. All of the above were approved by the legislature with the key goal of promoting the development and expansion of new business, the creation of employment opportunity and the achievement of economic stability in Massachusetts.
I. Key Committee(s) Identified

A. Joint Standing Committees

1. Commerce and Labor Committee
   Co-Chairman: Sen. Robert D. Wetmore (D)
   Co-Chairman: Rep. Richard H. Demers (D)
   State House
   Boston, MA 02133
   (617) 727-2121

2. State Administration Committee
   Co-Chairman: Sen. Sharon M. Pollard (D)
   Co-Chairman: Rep. Charles J. Buffone (D)
   State House
   Boston, MA 02133

II. Small Business Office

A. The Division of Small Business Assistance is located in the Department of Commerce and Development. Contact Robert Conway (617) 727-3209

B. Powers, duties and services -

1. Offer expertise in product development, marketing market trends and analysis and production management.

2. Provide information on federal programs to assist small business.

3. Maintain central list of all small businesses in the state.

4. Assist small businesses in obtaining state procurement awards.

5. Act as information clearinghouse and maintain contact with various groups and agencies concerned with small business matters.

6. Provide individual consultation services to small businesses.

C. Authorization - Chapter 23A, Section 15 et. seq. of Massachusetts General Laws

III. Procurement

A. Goal - Not less than five percent of the aggregate amount of all state purchases to which the program applies is to be placed into the set-aside program.
MASSACHUSETTS (cont'd)

B. Definition

1. The small business must be independently owned and operated.
2. Have its principal place of business in Massachusetts.
3. It must not be dominant in its field of operation and is not a corporation which is a member of an affiliated group.
4. Depending on the business classification the following requirements must also be met.
   a. A manufacturing firm must have less than 50 persons and have less than $6 million in total gross receipts for the preceding three fiscal years.
   b. A wholesale business must employ less than 20 persons and have less than $6 million in total gross receipts for the preceding three fiscal years.
   c. A retail business must employ less than 20 persons and have less than $1.5 million in gross receipts for the previous three fiscal years.
   d. If the business is in the transportation, communication, electric, gas, or sanitary industries it must have less than 50 employees and less than $3 million in total gross receipts for the previous three fiscal years.

C. Other Activities - The Commissioner of Commerce and Development will:

1. Compile and maintain bidders.
2. Seek out and encourage small business to participate.
3. Provide technical assistance to small business.
4. Make recommendations for changes in procurement procedures.
5. Assist in the determination of the responsibility of participants.
6. Act as an advocate within state government for small businesses which have been awarded purchases by a purchasing agent.


Other Significant Programs

A. Massachusetts Technology Development Corporation

1. The purpose of the TDC is to provide technical assistance and start-up capital to small, innovative technology-based business. TDC is designed to foster the early development of technology-based industries and commercialization of their products and processes to the point at which they can attract capital on their own. Funds may be provided through the mechanisms of a loan, guarantee, equity or royalty. Returns on the investment will be reinvested.
MASSACHUSETTS (cont'd)

2. Authorization - Chapter 40G Section 1 et. seq. of Massachusetts General Laws.

B. Business Information Centers

1. Massachusetts is in the process of setting up statewide network of business information centers. BIC's will provide a single point of contact between new and existing businesses and the wide range of local and regional resource agencies. BIC's provide free or low cost technical and business reference materials.

C. Other programs exist that indirectly affect small business under the Department of Commerce and Development.

1. Massachusetts Community Development Finance Corporation -- provides capital to new companies from a $10 million fund of the commonwealth.

2. Massachusetts Capital Resource Company -- authorizes $100 million in unsecured loans to Massachusetts companies over the next five years.

3. Local Tax Exemption -- exempts from local property taxation certain tangible properties owned by Massachusetts businesses.

4. Massachusetts Community Economic Development Assistance Corporation -- provides assistance to community-based businesses, and advises the same, organizationally, managerially and legally.
The Michigan Legislature has no special structure for handling small business matters. Bills affecting small business in the Michigan Legislature are referred to Committee based on specific subject matter.

During the 1979 legislative session the Michigan Senate created a Special Committee on the Market Economy which is moving rapidly into the area of small business legislation.

The Special Committee is presently examining several areas of legislation which are of particular interest to the small business community:
- Forms Management
- Business Regulation
- Tax Reform
- Creation of a Non-profit Business Research Organization

Of special note is the area of business regulation. The Special Committee is investigating the possibility of separate legislative regulations to cover small businesses with separate regulations to cover larger firms.
### I. Key Committee(s) Identified

#### A. Senate

Special Committee on the Market Economy  
Chairman: Senator Doug Ross  
Suite 800  
Senate Office Building  
Lansing, MI 48909  
(517) 373-7946  

Staff Contact: Bob O'Leary

### II. On-Going Projects or Studies

The newly created Senate Special Committee on the Market Economy is rapidly moving into the area of small business legislation. Areas of special interest to small businesses to be examined are: forms management; regulation; tax reform; and the creation of a non-profit business research organization.

No special structure for handling small business matters was identified by the survey.
In the Minnesota State Legislature, small business legislation is referred to the Economic Development Subcommittee of the Senate Employment Committee and the Business Development Subcommittee of the House Committee on Commerce, Economic Development and Housing.

Prior to the 1979 legislative session, state procurement programs for small business existed in the Departments of Administration and Transportation. Laws 1979, Chapter 283, increased the small business share of state procurement. Chapter 86, established a small business set-aside program for University of Minnesota procurements.

In an attempt to deal with the specific problems of small business, an advisory task force on small business was established by the Minnesota Legislature following the 1978 legislative session. The task force issued its final recommendations in January, 1979.
**MINNESOTA**

<table>
<thead>
<tr>
<th>Key Committee(s) Identified</th>
<th>Economic Development</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Legislative Activity</td>
<td>Education/Mgmt.</td>
<td>X</td>
</tr>
<tr>
<td>Pending Legislation</td>
<td>Procurement Program</td>
<td>X</td>
</tr>
<tr>
<td>On-Going Project or Studies</td>
<td>Loan Program</td>
<td></td>
</tr>
<tr>
<td>Small Business Office</td>
<td>Advisory Panel</td>
<td></td>
</tr>
<tr>
<td>Complaint Handling</td>
<td>Other Significant Programs</td>
<td></td>
</tr>
</tbody>
</table>

I. **Key Committee(s) Identified**

A. **Senate**

Economic Development Subcommittee of the Senate Employment Committee
Chairman: Roger Laufenburger (D)
235 State Capitol
St. Paul, MN 55155
(612) 296-8865

B. **House**

Business Development Subcommittee of the House Committee on Commerce, Economic Development and Housing
Chairman: John S. Biersdorf (I)
362 State Office Building
St. Paul, MN 55155
(612) 296-3317

II. **Recent Legislative Activity**

A. **Laws of 1979 Chapter 283**

Increases the small business share of state procurement from approximately 10% to approximately 20%

B. **Laws of 1979 Chapter 086**

The regents of the University of MN shall designate and set aside for awarding to SB approximately 20% of the value of procurement contracts which are to be awarded during one fiscal year.

C. **Laws of 1979 Chapter 246**

Creates a business assistance center within the Department of Economic Development

Amends Chapter 362 by adding sections

Function - Provision of assistance to small businesses; assist all businesses in obtaining state licenses and permits
MINNESOTA (cont'd)

Bureau of SB - serves as a clearinghouse and referral service for information needed by small businesses

Bureau of Business Licenses - assists in the study of state licensing and makes change recommendations; assists all businesses in obtaining licenses and permits

III. Pending Legislation -- Introduced in 1979 session - have not passed

A. SF No. 934 - Would provide matching grants to colleges and universities under SB management assistance program of federal SBA.

B. SF No. 936 - Would restrict tuition for SB management programs; appropriate $ for SB management programs.

C. SF No. 952 - Would reduce the rate of corporate income tax.

D. SF No. 1297 - Would grant a tax credit to certain businesses who contribute to neighborhood organizations or who engage in activities to alleviate poverty in certain areas.

E. SF No. 1984 - Would establish a study commission to assess the economic impact of state regulations on business and industry.

IV. On-Going Project/Studies

A. Recent study -- MN Advisory Task Force on Small Business.

B. Authorization - 1978 session law Chapter 209
In the Mississippi State Legislature, small business matters are generally handled by either of two committees in the House of Representatives, the Banks and Banking Committee or the Ways and Means Committee. In the Mississippi Senate, small business matters are handled by either the Banks Committee or the Finance Committee. The specific committee to which legislation on small business is assigned depends on the subject matter of the bill.

In 1972, Article I of Chapter 10 of Title 57 was passed by the legislature with the intent to improve and stimulate the small business segment of the state's economy in particular. Article 3 of Chapter 10 of Title 27 was passed by the legislature in 1972 to encourage small business loans by furnishing lending institutions additional security to place such loans on a sound, financial basis.

The legislature enacted HB 1024, effective on February 1, 1980, which changes the name of the Mississippi Agricultural and Industrial Board to the Mississippi Board on Economic Development and creates a department and divisions with specific functions, among them the encouragement of new and expanding industries.
## I. Key Committee(s) Identified

**A. Senate**
- **Banks Committee**
  - Chairman: Ben H. Stone (D)
  - P. O. Box B-1
  - New Capitol
  - Jackson, MS 39205
  - (601) 354-7011

- **Finance Committee**
  - Chairman: Ellis Bodron (D)
  - P. O. Box B-1
  - New Capitol
  - Jackson, MS 39205
  - (601) 354-7011

**B. House**
- **Banks and Banking Committee**
  - Chairman: John H. Stennis (D)
  - P. O. Box B-1
  - New Capitol
  - Jackson, MS 39205
  - (601) 354-7011

- **Ways and Means Committee**
  - Chairman: A. C. Lambert (D)
  - P. O. Box B-1
  - New Capitol
  - Jackson, MS 39205
  - (601) 354-7011

## II. Recent Legislative Activity

**A. Tax Exemption**
1. Small Businesses are exempt from state income taxation as corporations if they have in effect an election under the provisions of Subchapter S of the Internal Revenue Service Code.

2. **Authorization - Section 27-7-29**

**B. Mississippi Board on Economic Development**
1. Changes the name of the Mississippi Agricultural and Industrial Board to the Mississippi Board on Economic Development and creates a department and divisions with specific functions, among them the encouragement of new or expanding industries.

2. In addition to the elected public officials, the board will be composed of seven members appointed by the Governor to serve staggered terms, thereby eliminating eighteen (18) political appointees. It is anticipated that this will greatly remove political interferences with the agency.
3. The Executive Director of the Department will be appointed by the Board instead of by the Governor.

4. The Executive Director of the Department and all Division Directors will be required to have certain specified qualifications.

5. Authorization - HB 1024, will become effective on February 1, 1980.

III. Small Business Office

A. The Small Business Assistance Division is located in the Agricultural and Industrial Board. Contact Buddy Mitcham (601) 354-6487

B. Powers, duties and services

1. Primary responsibilities are the administration of loan program and referrals to federal agencies.

2. Handle complaints on an informal basis.

C. Authorization - Sections 57-10-101 et. seq. Mississippi Code

IV. Economic Development

A. Mississippi Economic Development Corporation - "To stimulate and supplement the flow of private equity capital and long term loan funds which small business concerns of this state need. . . ."

B. Authorization - Sections 57-10-1 et. seq. Mississippi Code

V. Loan Program

A. Purpose - "Loan guaranty's" to encourage private lenders to provide loans to encourage the expansion of existing businesses and the development of new small businesses.

B. Terms and Conditions

1. Loans are limited to $33,000, current rate of interest, and 10 year term.

2. The guarantee is limited to 75% of loan.

3. 1% per annum fee for the guaranteed portion.

C. Authorization - Section 57-10-101 et. seq. Mississippi Code
MONTANA

In the Montana State Legislature, small business matters are handled in the Business and Industry Committee, which is a standing committee in both the Senate and the House of Representatives.

In Montana there currently exists a number of small business, relevant to economic development, programs such as the Montana Development Credit Corporation (32-4-101 et. seq., MCA), the Montana Small Business Purchasing Act (18-5-301 et. seq., MCA), and HB 438 in the last session, now codified at Title 2, Chapter 4, Part 3, MCA, an act requiring an agency to prepare an estimate of the economic impact of proposed rulemaking upon the request of the Administrative Code Committee.

Currently under consideration in Montana are a Montana Product Development Corporation and a Montana Venture Capital Corporation. In the last legislative session, two pieces of legislation dealing with small business were introduced but did not pass. They were a house bill (HG 502) to standardize state small business licensing and HB 821, an act to establish a special property tax class for new small business property located in economically depressed areas. A Third bill, SB 346, providing for allowance of fees in successful litigation, was passed, however, specific reference to small business was deleted.
I. Key Committee(s) Identified

A. Senate

Business and Industry Committee.
Chairman: Frank W. Hazelbaker (R)
State Capitol
Helena, MT 59601
(406) 449-2511

B. House

Business and Industry Committee
Chairman: Joe Quilici (D)
State Capitol
Helena, MT 59601
(406) 449-2511

II. Recent Legislative Activity

A. HB 502 - Would have streamlined licensing process (i.e. one stop-licensing) FAILED.

B. HB 821 - Would have created a special property tax class for new small business property located in depressed areas. FAILED.

C. SB 346 - Would have provided equal access to the courts by requiring an allowance of costs and attorney's fees for defendants who are successful in a law suit against a governmental entity. (PASSED, BUT THE FINAL VERSION DELETED ALL REFERENCES TO SMALL BUSINESS.)

III. On-Going Projects/Studies

A. Determinants of Economic Development Study

1. Goal - Identification of services available to small businesses.

B. Impact Substitution Study

1. Goal - Review and determiniation of the possibilities for increasing manufacturing sales within Montana.
IV. Procurement Program

A. Goals - each state agency will insure that a fair proportion of the state government's purchase and contracts are placed with SB concerns.

B. Authorization - Section 82-1929 et. seq. of Montana Code
In the Nebraska State Legislature, legislation intended to regulate or benefit small businesses is typically handled in the legislature's Banking, Commerce and Insurance Committee. Regulation of various types of businesses are a subject handled by the committee which covers the particular type of activity being regulated, as in the nursing care, health care area (Public Health Committee) or regulation of the food industry (Agriculture Committee).

Regulations of various state departments which could impact small business are reviewed by the legislature's Advisory Committee on rules and regulations, which has been given power to suggest changes in rules and regulations and has a full-time legal counsel assigned to reviewing rules.

The survey did not identify any policy or legislation in existence in Nebraska which provides specific state procurement or loan assistance to small business.
I. Key Committee(s) Identified

Banking, Commerce and Insurance Committee
Chairman: Senator John W. DeCamp
Room 1124, State Capitol
Lincoln, NE 68509
(402) 471-2618

Business and Labor Committee
Chairman: Senator Richard Maresh
Room 2011, State Capitol
Lincoln, NE 68509
(402) 471-2711

No programs specifically designed for Small Business were identified by the survey.
NEVADA

In the Nevada State Legislature, matters pertaining to business generally are handled in the assembly by the Committee on Commerce and in the Senate by the Committee on Commerce and Labor.

There is no present legislative program concerned with "small business" as such in Nevada. A study of the effect of government regulation of small business was conducted by the legislative commission during the last interim and it recommended only two minor bills, neither of which passed.
### Key Committee(s) Identified

#### A. Senate

Commerce and Labor Committee  
Chairman: Thomas R. C. Wilson (D)  
Legislative Building  
Carson City, NV 89710  
(702) 885-5000

#### B. House

Commerce committee  
Chairman: John E. Jeffrey (D)  
Legislative Building  
Carson City, NV 89710  
(702) 885-5000

No programs specifically designed for small business were identified by the survey.
NEW HAMPSHIRE

In the New Hampshire State Legislature all legislation is referred by subject matter to an appropriate standing committee by the presiding officer of each house. Depending on the particular subject matter, there are several different committees to which any small business legislation could be referred including the House Committee on Commerce and Consumer Affairs and the Senate Development, Recreation and Environment or Public Affairs Committees. There is no special structural arrangement for handling small business matters in New Hampshire's State Legislature.

The major state legislative small business development in 1979 was the passage of Senate Joint Resolution 1. This Resolution established the small business development program of the University system of New Hampshire as the small business coordinating agency in the state.
I. **Key Committee(s) Identified**

A. Senate

Development, Recreation and Environment Committee
Chairman: Robert F. Preston (D)
State House
Concord, NH 03301
(603) 271-1110

Public Affairs Committee
Chairman: Frank A. Wageman (R)
State House
Concord, NH 03301
(603) 271-1110

B. House

Commerce and Consumer Affairs Committee
Chairman: Conrad L. Quimby (R)
State House
Concord, NH 03301
(603) 271-1110

II. **Recent Legislative Activity**

A. Senate Joint Resolution 1, passed June 23, 1979

1. Created a small business development program

2. Created a coordinating agency under the small business development program of the state university system directed toward the development and expansion of the small business sector of New Hampshire's economy.

3. Appropriates $50,000 for FY81, to be matched by federal or private funds.

Action taken in recognition and support of New Hampshire's university systems past efforts in small business development.
NEW JERSEY

The New Jersey Legislature has no specially designated unit charged with addressing small business matters. One temporary committee does have general responsibility for legislative initiatives in the business development field. The current (198th) legislature has established a Legislative Joint Economic Committee, charged with examining the state's economy, encouraging economic growth in the state and making appropriate legislative recommendations. The committee's mandate expires in January, 1980.

As indicated by the existing legislation, as well as the volume of pending legislation, the New Jersey Legislature is actively considering the specific concerns of small business.
I. Key Committee(s) Identified

A. Senate

Labor, Industry and Professions Committee
Chairman: Eugene J. Bedell (D)
State House
Trenton, NJ 08625
(609) 292-5526

B. House

Commerce, Industry and Professions Committee
Chairman: Byron M. Baer (D)
State House
Trenton, NJ 08625
(609) 292-1646

II. Recent Legislative Activity

A. SB 3407


B. Would create small business development centers, which shall have as their purpose the development and expansion of the small business sector in the state, the stimulation of economic diversity, and the fostering of competition through the provision, in conjunction with the universities of the state, of assistance to existing and new small business concerns.

C. INTRODUCED AUGUST 6, 1979.

1. Referred to the Committee on Labor, Industry and Professions.

III. Pending Legislation

A. S-3367 - Would create an Office of Small Business Assistance

B. S-802 and A-840 - Identical bills; would provide financial relief to New Jersey employers participating in the State Workmen's Compensation program by reducing the awarding of compensation benefits to workers sustaining insignificant permanent partial disabilities.
NEW JERSEY (cont'd)

C. S-1395 - "New Jersey Regulatory Flexibility Act" - Would provide that state regulatory agencies shall, prior to issuing rules and regulations, study the economic impact of such rules. Specific areas considered to need such study are: (1) regulation implementation and compliances; (2) permit approval process; and (3) paperwork.

IV. On-Going Projects/Studies

A. Legislative Joint Economic Committee has been charged with examining the state's economy, encouraging economic growth and making appropriate legislative recommendations:

1. The committee is temporary - mandate expires 1/1/80

2. Contact: Mathew Feldman, Chairman
   (609) 292-8030
   (201) 692-1313

V. Loan Program

A. Establishment of an Urban Loan Authority, capitalized at $2,000,000.

1. Authorized to make loans of up to $250,000.

2. Restricts eligibility to applicants enjoying $5,000,000 or less in annual revenues.


4. Although the enabling legislation did not explicitly so provide, the Legislature clearly intended the Authority to direct its assistance efforts at small business.

VI. Other Significant Programs

A. Goal - Promotion and assistance to inventors and developers of new commercial products to be fabricated in New Jersey.

B. Establishes an office for promoting technical innovation in the Division of Economic Development.

C. Contact: Carlos Villamil, Director
   Division of Economic Development
   (609) 292-2462


E. Although this law has not been fully implemented, the work of the Office for Promoting Technical Innovation has the potential to be the state's greatest contribution to the establishment and nurturing of new small business.
NEW YORK

The Senate assigns legislation affecting small business to its Commerce and Economic Development Committee, while the State Assembly assigns small business legislation to its Commerce, Industry and Economic Development Committee, except for tourism matters which go to the Tourism, Sports, and Arts Committee. Tourism is the second largest industry in New York and it is dominated by small business.

Some legislation specifically aimed at small business has been included in this volume, but this is by no means all inclusive of legislation that may affect small business in some way. There have been a total of 14,713 bills introduced in the 1979 legislative session. Because of the complex nature of the factors that affect small business in some way, it is virtually impossible to analyze all these bills to identify those that do affect small business.
I. Key Committee(s) Identified

A. Senate
Commerce and Economic Development Committee
Chairman: Joseph R. Pisani (R)
Room 505, State Capitol Building
Albany, NY 12224
(518) 455-2831

B. House
 Commerce, Industry and Economic Development Committee
*Tourism, Arts and Sports Development Committee
Chairman: Roger J. Robach (D) Chairman: Matthew Murphy (D)
Room 824, Legislative Office Bldg. Room 547, Legislative Office Bldg.
Albany, NY 12224 Albany, NY 12224
(518) 472-2000 (518) 472-3150

*Tourism is NY's 2nd largest industry and is dominated by small business

II. Pending Legislation

A. A proposal to establish a state university-based small business extension service.

B. A proposal to establish a corporate franchise tax that uses a progressive tax rate is being evaluated. The result would be to lower tax rates for businesses with taxable net income under a certain level. View as benefiting small business in particular.

III. Small Business Office

A. The Ombudsmen and Small Business Services Division is located in the Department of Commerce. Contact Dominick N. Assaro (516) 474-7756

B. Powers, duties and services -

1. Receive and refer complaints of small business to appropriate agencies.

2. Coordinate the activities of all state agencies performing functions affecting the operation of small business in the state.
NEW YORK (cont'd)

3. Advise and make recommendations to commissioner on matters affecting small business.

4. Conduct investigations, research, studies and analyses of matters affecting the interest of small business.

5. Represent the interests of small businesses in the state before federal, state and local administrative and regulatory agencies.


7. Initiate and encourage small business education programs.

C. Definition - "Small Business" shall be deemed to be one which is resident in this state, independently owned and operated and complies with the definition of a small business as defined by part one hundred twenty-one of title thirteen of the code of federal regulations.

D. Authorization - article 4-B, Section 130 et. seq. of New York Commerce Code.

IV. Advisory Board

A. Purpose - Advise and Assist the Commissioner in carrying out the function, powers and duties as set forth in The Small-Business Act.

B. Authorization - Article 4-B, Section 130 et. seq. of New York Commerce Code.

V. Procurement Programs; Complaint Handling; Economic Development; Education/Management Assistance; Loan Programs:

New York has programs in all these areas as the result of legislative activity, however, the executive branch has the responsibility for day-to-day operations.

The State Commerce Dept. operates:

1. a purchasing assistance program;
2. a technical assistance to small business program;
3. an Ombudsmen and Small Business Division (Red-tape cutters); and
4. an Office of Minority Business Enterprise.
In the Senate, small business matters are generally referred to the committees on Manufacturing, Labor and Commerce. However, a small business matter concerning the subject matter covered by a specific standing committee is usually referred to that committee.

In the House of Representatives, small business matters are generally referred to the committees on Corporations, and Manufacturers and Labor. Like in the Senate, a small business matter concerning the subject matter of a special standing committee is usually referred to that committee.

The survey did not identify any specific legislation concerning small business matters enacted by the North Carolina General Assembly.
I. Key Committee(s) Identified

A. Senate

Manufacturing, Labor, and Commerce Committee
Chairman: Jack Childers (D)
State Legislative Building
Raleigh, NC 27611
(919) 733-1110

B. House

Corporations Committee
Chairman: Aaron W. Plyler (D)
State Legislative Building
Raleigh, NC 27611
(919) 733-1110

Manufactures and Labor Committee
Chairman: Joseph E. Johnson (D)
State Legislative Building
Raleigh, NC 27611
(919) 733-1110

II. Procurement Program

A. No specific goal - fair proportion

B. Authorization - Joint Resolution - 1975

No other programs specifically designed for small business were identified by the survey.
NORTH DAKOTA

The legislative committee where most small business matters would be directed is the Industry, Business, and Labor Committee. However, bills dealing with specific subject matter, although they may affect small business, would be referred to the appropriate committee.

The 1979 legislature passed several bills that affect small business. (1) A new state procurement law that establishes a comprehensive purchasing service by the state Department of Accounts and Purchases. (ND Century Code Chapter 54-44.4). (2) A new law which gives preference to North Dakota bidders and sellers. (ND Century Code Section 44-08-01). (3) A new law that gives preference to materials manufactured or produced in the state. (ND Century Code Section 48-02-10). Although these bills may affect small business, North Dakota has no legislation specifically designed to assist small businesses.

The state of North Dakota is unique in that it is the only state with a state-owned bank. The Bank of North Dakota was established through legislative action in 1919 and has been very active in providing aid to the farm community, especially the new farmer. The bank cooperated in aiding small businesses in conjunction with the Small Business Administration.
I. Key Committee(s) Identified

A. Senate

Industry, Business and Labor Committee
Chairman: Chester Reiten (R)
State Capitol
Bismarck, ND 58505
(701) 244-2000

B. House

Industry, Business and Labor Committee
Chairman: Roy Rued (R)
State Capitol
Bismarck, ND 58505
(701) 244-2000

II. Loan Program

A. North Dakota is unique in that it is the only state with a state-owned bank.

B. The Bank of North Dakota participates in loans to small businesses and industries in the state and cooperates with the Small Business Administration, the Farmers Home Administration and the Bank for Cooperatives. The Bank of North Dakota has been especially active in providing financial assistance to beginning farmers.

C. Authorization - The Bank of North Dakota was established by an act of the Legislature on July 18, 1919. (S. L. 1919, Ch. 147).

D. Contact: H. L. Thorndal, President
Bank of North Dakota
Lock Drawer No. 1657
700 East Main
Bismarck, ND 58501
Matters affecting small business in the Ohio Legislature are referred to the Commerce and Labor Committee in the Senate and the Small Business and General Business Committee in the House.

The Ohio House of Representatives created the Small Business and General Business Committee in January, 1979. The creation of this committee was the result of a recommendation of the Joint Select Committee on the Problems of Small Business that each house create such a committee to handle small business matters.

The Joint Committee, created by Joint Resolution 38 of the 111th General Assembly, held hearings from August through December of 1976. At that time it submitted a report with recommendations to the General Assembly.

One bill that directly affects small business was passed in the 1979 legislative session. HB289 raised the small business exemption from the state minimum wage from $90,000 annual gross income to $150,000 annual gross income.

Legislation is pending at this time which would create the Ohio Minority Business Development Commission. Another bill creating a state set aside program for construction contracts to be let to minority business enterprises is currently in the Senate Finance Committee.
### Key Committee(s) Identified

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

### Recent Legislative Activity

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

### Pending Legislation

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

### On-Going Project or Studies

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

### Small Business Office

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Complaint Handling

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Key Committee(s) Identified

#### A. Senate
- Commerce and Labor Committee
  - Chairman: William F. Bowen (D)
  - State House
  - Columbus, OH 43216
  - (614) 466-3986

#### B. House
- Small Business and General Business Committee
  - Chairman: Rocco J. Colonna (D)
  - State House
  - Columbus, OH 43216
  - (614) 466-5663

### Recent Legislative Activity

#### A. HR 289 (Effective October, 1979)
Raised the small business exemption from the State minimum wage from $90,000 annual gross income to $150,000 annual gross income.

### Pending Legislation

#### A. Substitute HB 584
Would create the Ohio Minority Business Development Commission and make loans available to minority business enterprises through the Commission. CURRENTLY IN THE HOUSE SMALL BUSINESS AND GENERAL BUSINESS COMMITTEE.

#### B. SB 131
Would require the State to set aside certain construction contracts and contracts for goods and services for minority business enterprises and to appropriate funds for implementation of SB 131's provisions. CURRENTLY IN THE SENATE FINANCE COMMITTEE.

### Other Significant Programs

#### A. Through Senate Joint Resolution 38 of the 111th General Assembly, a Joint Select Committee on the Problems of Small Business was created. The Committee held hearings from August 1976 through December 1976 and submitted a final report at that time.
One of the most significant recommendations made by the committee was to create standing committees in each house of the legislature to deal with small business legislation.

The Ohio House of Representatives created such a committee in January 1979; The Ohio Senate has not yet created such a committee.
OKLAHOMA

Small business matters in the legislature are handled in the Business, Industry, and Labor Relations Committees of both houses.

There are no legislative activities or initiatives currently in existence at this time.
<table>
<thead>
<tr>
<th>Key Committee(s) Identified</th>
<th>Economic Development</th>
<th>Education/Mgmt. Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Legislative Activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pending Legislation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Going Project or Studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaint Handling</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Key Committee(s) Identified

A. Senate

Business, Industry, and Labor Relations Committee  
Chairman: Don Kilpatrick  
3945 S. E. 15th, Suite 104  
Del City, OK 73115  
(405) 672-7845

B. House

Business, Industry, and Labor Relations Committee  
Chairman: Mike Lawter  
8104 NW 7th  
Oklahoma City, OK 73127  
(405) 789-4430

No programs specifically designed for small business were identified by the survey.

Survey response mentioned that the legislature has been content to let the SBA take the initiative in this area and that small business has not made strong lobbying efforts.
OREGON

On the Senate side, a bill may be sent to the committee of the president's choice, regardless of the subject. However, in most cases, small business matters would be considered by the Senate committees on Labor, Consumer, and Business Affairs, or Trade and Economic Development. In the House, most bills relating to business are referred to committees on Business and Consumer Affairs, Labor, or Trade and Economic Development.

There are many interdepartmental programs which exist to aid small businesses in Oregon; however, these programs are not specifically mandated by the Assembly.

Although not specifically designed for small business, several bills were passed in the 1979 legislature which benefit small business in the area of workmen's compensation.
I. Key Committee(s) Identified

A. Senate

Labor, Consumer and Business Affairs Committee  
Chairman: Dick Groener (D)  
State Capitol  
Salem, OR 97310  
(503) 378-3131

Trade and Economic Development Committee  
Chairman: Lenn L. Mannon (D)  
State Capitol  
Salem, OR 97310  
(503) 378-3131

B. House

Business and Consumer Affairs Committee  
Chairman: Max Rijken (D)  
State Capitol  
Salem, OR 97301  
(503) 378-3131

Labor Committee  
Chairman: Jim Chrest (D)  
State Capitol  
Salem, OR 97301  
(503) 378-3131

Trade and Economic Development Committee
Chairman: Edward Stevenson (D)  
State Capitol  
Salem, OR 97301  
(503) 378-3131

II. Recent Legislative Activity

A. The 1979 legislature appropriated funds for the Small Business Office located in the Department of Economic Development. This office had previously been funded by a federal grant.

B. Contact: Allan R. Mann (503) 229-5535

III. Loan Program

A. Creates the Small Scale Local Energy Project Advisory Committee

B. Appropriates money to create a Bond Sinking Fund
C. Any individual, small business, non-profit cooperative or corporation, or municipal corporation may file with the department an application to obtain loan funds for a small scale local energy project.

D. Authorization - SB 611, passed in 1979 session
Most business matters are handled in the standing Committee for Business and Commerce. There is, however, no separate entity to handle only the matters of small businesses in the legislature. The standing Committee on Consumer Protection monitors all legislation and evaluates its potential impact on consumers and businesses.

The 1979 legislature has introduced one bill that directly affects small business. The "Minority and Small Business Procurement Act" (SB231) was referred to the Senate Business and Commerce Committee on February 13, 1979. This bill declares that it is the policy of the Commonwealth of Pennsylvania to insure that a fair proportion of the Commonwealth's total contracts for property and services be placed with minority and small business concerns.
I. Key Committee(s) Identified

A. Senate
   Business and Commerce Committee
   Chairman: Henry C. Meesinger (D)
   Room 351, Main Capitol Building
   Harrisburg, PA 17120
   (717) 787-1349

B. House
   Business and Commerce Committee
   Chairman: L. Eugene Smith (R)
   Room 313A-4, Main Capitol Building
   Harrisburg, PA 17120
   (717) 787-3313

II. Pending Legislation

A. SB 231 - "Minority and Small Business Procurement Act"
   A. The intent of SB 231 is to create a set-aside program for small
      business, as defined by the bill, subject to the provisions of
      said bill.
   B. Referred to the Senate Business and Commerce committee February 13, 1979.

Other programs designed specifically for small business are the result of
administrative creation and/or Governor's Executive Order.
RHODE ISLAND

There is no specific structure for handling small business matters in the Rhode Island Legislature.

Specific programs for assisting small business have generally originated in the governor's office and have been administered by its Small Business Forum.
<table>
<thead>
<tr>
<th>Key Committee(s) Identified</th>
<th>Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Legislative Activity</td>
<td>Education/Mgmt. Assistance</td>
</tr>
<tr>
<td>Pending Legislation</td>
<td>Procurement Program</td>
</tr>
<tr>
<td>On-Going Project or Studies</td>
<td>Loan Program</td>
</tr>
<tr>
<td>Small Business Office</td>
<td>Advisory Panel</td>
</tr>
<tr>
<td>Complaint Handling</td>
<td>Other Significant Programs</td>
</tr>
</tbody>
</table>

No special structure for handling small business matters was identified by the survey.

No programs specifically designed for small business were identified by the survey.
SOUTH CAROLINA

In the Senate, small business matters are usually referred to the Labor, Commerce and Industry Committee. In the House, small business matters are usually referred to its Labor, Commerce and Industry Committee. It should be noted, however, that bills are generally referred to specific subject matter committees in both houses of the South Carolina Legislature.

The legislature has enacted no programs specifically designed for small businesses.
### Key Committee(s) Identified

1. **Economic Development**
2. **Education/Mgmt. Assistance**
3. **Procurement Program**
4. **Loan Program**
5. **Advisory Panel**
6. **Other Significant Programs**

### I. Key Committee(s) Identified

#### A. Senate

**Labor, Commerce and Industry Committee**  
Chairman: Frank L. Roddey (D)  
Grossette Building  
Columbia, SC 29201  
(803) 758-8648

#### B. House

**Labor, Commerce and Industry Committee**  
Chairman: Clyde M. Dangerfield (D)  
Blatt Building  
Columbia, SC 29201  
(803) 758-8466

No programs specifically designed for Small Business were identified by the survey.
In the South Dakota Legislature there is no special structure or pattern of assignment for matters affecting small business as opposed to business in general. Bills are referred to committee depending upon the specialized nature of the subject matter.
I. Key Committee(s) Identified

A. Senate

Commerce Committee
Chairman: Harold Halverson (R)
State Capitol
Pierre, SD  57501

B. House

Commerce Committee
Chairman: Neil Clarke (R)
State Capitol
Pierre, SD  57501
(605) 773-3011

No programs specifically designed for Small Business were identified by the survey.
TENNESSEE

In the Senate, small business matters are referred to the Commerce and Labor Committee. In the House, small business matters are referred to the Commerce Committee.

There are no legislative programs specifically designed for small business at this time although there has been recent activity in the area of procurement.
I. Key Committee(s) Identified

A. Senate

Senate Commerce and Labor Committee
Chairman: Edward C. Blank, II
State Capitol
Nashville, TN 37291
(615) 741-3011

B. House

House Commerce Committee
Chairman: Ed Murray
State Capitol
Nashville, TN 37291
(615) 741-3011

No programs specifically designed for small business were identified by the survey.
TEXAS

Small business matters are handled primarily by the Senate Committee on Economic Development and the House Committee on Business and Industry. It should be noted that most bills are referred to committee based on specific subject matter assignment.

In the past, the Texas Legislature has acted to assist small business by enacting legislation to: create a small business office; establish a state procurement program; promote economic development through the "Small Business Assistance Act"; establish loan programs for specific industries; establish an advisory panel through the "Small Business Assistance Act of 1975".
I. Key Committee(s) Identified

A. Senate

Economic Development Committee
Chairman: Tom Breighton (D)
Room 128A, State Capitol
Austin, TX 78701
(512) 475-3452

B. House

Business and Industry Committee
Chairman: Chris V. Semos (D)
P. O. Box 2910, General Delivery
Austin, TX 78767
(512) 475-2095

II. Small Business Office

A. The Industrial Commission is given small business responsibilities.

B. Powers, duties and services -

1. Provide technical and managerial assistance to small businesses

2. Enlist cooperation of other state agencies on behalf of small business

3. Assists small business in obtaining state procurement awards

4. Conduct research on topics of interest to small business

C. Authorization - Article 5190.3 of Texas Civil Statutes

III. Procurement Programs

A. Goal - it is the intent of the legislature that each state agency shall attempt to award ten percent of all purchases of articles, supplies, commodities, materials, services or contracts for services to small business.
B. Definition - "Small Business" means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees or less than $1,000,000 in annual gross receipts, and is designated a small business as provided by this Act.

C. Other Activities - The Industrial Commission is responsible for developing a master list of eligible small business bidders. Each agency is to take positive steps to assist small business in obtaining state awards.

D. Authorization - Article 5190.3 of the Texas Civil Statutes.

IV. Economic Development

A. It is the policy of the state to insure economic competition by assisting small business entities to the greatest extent possible. (Article 5190.3, sec. 2, Texas Civil Statutes)

V. Advisory Panel

A. Provides assistance, guidance, and expertise to the Industrial Commission in the administration of the Small Business Act.

B. Contact: James H. Harwell
   Chairman Ex-Officio
   Advisory Council on Small Business Assistance
   (512) 475-4331

C. Authorization - Article 5190.3 of the Texas Civil Statutes.
Most small business matters are handled by the Business, Labor and Economic Development Study Committee during the interim and by the House Business Committee and the Senate Business, Labor and Economic Development Committee during legislative sessions. There is no specific small business committee or subcommittee. It should be pointed out that bills are generally referred to committee based on specific subject matter.

During the last interim (1977-78) the Business and Labor Interim Committee had an assignment to remove impediments to the growth of small business in the state. After several hearings on this subject, the committee assumed that the greatest problems could only be corrected by federal action. The committee then decided to concentrate on the biggest state issue at the time which was unemployment insurance. Legislation was drafted (SB78) and did pass the legislature this year to ease the situation somewhat. SB78 became effective on July 1, 1979. It was not specifically designed to assist only small business, but small business will be somewhat affected as the bill has the effect of reducing the cost of benefits that employers must pay.
I. Key Committee(s) Identified

A. Senate

Business, Labor and Economic Development Committee
Chairman: Arnold Christensen (R)
State Capitol
Salt Lake City, UT 84114
(801) 533-4000

B. House

Business, Labor and Economic Development Committee
Chairman: Sherman D. Harmer, Jr.
State Capitol
Salt Lake City, UT 84114
(801) 533-4000

II. On-Going Projects or Studies

A. During the last interim period (1977-78) the Business and Labor Interim Committee was assigned to remove impediments to the growth of small business in the state.

B. No significant programs affecting small business resulted from the committee's efforts.
VERMONT

The Vermont General Assembly has no specific small business committee. Bills are generally referred to a committee based on a specific subject matter. However, matters affecting small business would usually be referred to the Commerce Committee, Ways and Means Committee or the Committee on General and Military Affairs in the House. In the Senate, bills affecting small business would usually be referred to the Finance Committee or the Committee on General Affairs.

This survey has not identified any specific examples of legislation focusing on small business.
### Key Committee(s) Identified

<table>
<thead>
<tr>
<th>Recent Legislative Activity</th>
<th>Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Legislation</td>
<td>Education/Mgmt.</td>
</tr>
<tr>
<td>On-Going Project or Studies</td>
<td>Assistance</td>
</tr>
<tr>
<td>Small Business Office</td>
<td>Procurement Program</td>
</tr>
<tr>
<td>Complaint Handling</td>
<td>Loan Program</td>
</tr>
<tr>
<td></td>
<td>Advisory Panel</td>
</tr>
<tr>
<td></td>
<td>Other Significant Programs</td>
</tr>
</tbody>
</table>

### I. Key Committee(s) Identified

#### A. Senate

- **Finance Committee**
  - Chairman: Arthur Gibb (R)
  - State House
  - Montpelier, VT 05602
  - (802) 828-2241

- **Committee on General Affairs**
  - Chairman: Robert T. Garrett (R)
  - State House
  - Montpelier, VT 05602
  - (802) 828-2241

#### B. House

- **Commerce Committee**
  - Chairman: Lawrence F. Powers (D)
  - State House
  - Montpelier, VT 05602
  - (802) 786-0000

- **Ways and Means Committee**
  - Chairman: Peter Guiliani (R)
  - State House
  - Montpelier, VT 05602
  - (802) 828-2247

- **Committee on General And Military Affairs**
  - Chairman: John F. Murphy (D)
  - State House
  - Montpelier, VT 05602
  - (802) 828-2247

No programs specifically designed for small business identified by the survey.
WASHINGTON

Standing Committees on Commerce and State Government are the major committees in both the House and Senate which conduct public hearings on bills and matters affecting small business. Commerce is the primary committee, but state government often gets closely involved where a small business matter affects more than one agency in the executive branch.

Over the past several years the Washington Legislature has been very active in the area of small business legislation. Through legislative activity, the state has established programs which provide assistance to the small business community. A Small Business Assistance Office was established in the Department of Commerce and Economic Development as authorized by Section 43.31.915 et seq. Revised Code of Washington. Through this office, small businesses receive educational and managerial assistance, procurement assistance, economic development assistance, and are provided a mode through which to handle complaints. Additionally, a Forms Management Center was authorized under Section 43.19.510 et seq. Revised Code of Washington to reduce duplicative and burdensome paperwork.

Possibly the most significant legislative program affecting small business in Washington is the establishment of the one-stop Business License Center. Authorized under Section 43.31.870 et seq. Revised Code of Washington, the pilot program was for groceries only, but the state has since expanded the program to include other businesses. The Business License Center has been very effective in reducing the total number of licenses required to do business in the state as well as to provide an efficient manner by which to obtain those that are necessary.

The 1979 legislature passed eighteen separate bills that directly affect small business. Topics of these recent bills include: procurement; state obligations; financial assistance; cost reductions; access to the courts; and tax reduction. Summaries of all eighteen bills have been included in the survey results.

The Washington Legislature has been increasingly active in its support of small business over the past few years and is among the leaders in small business support.
I. Key Committee(s) Identified

A. Senate

Commerce Committee
Chairman: Ray Van Hollebeke (D)
Legislative Building
Olympia, WA 98504
(206) 753-7600

State Government Committee
Chairman: A.L. Rasmussen (D)
Legislative Building
Olympia, WA 98504
(206) 753-6000

B. House

Commerce Committee
Co-Chairman: Frank Warnke (D)
Co-Chairman: Lou Greengo (R)
Legislative Building
Olympia, WA 98504
(206) 753-5000

State Government Committee
Co-Chairman: Wayne Ehlers (D)
Co-Chairman: Joe Taller (R)
Legislative Building
Olympia, WA 98504
(206) 753-7656

II. Recent Legislative Activity

A. Chapter No. 66, Laws of 1979 (Senate Bill 2124)

Expands the requirements for a wholesale fish dealers license to include under certain conditions brokers, fishermen, clam and oyster farmers, commercial and custom canners and processors.

Effective Date June 7, 1979

B. Chapter No. 74, Laws of 1979 (Substitute Senate Bill 3100)

Requires Labor and Industries inspection of water craft capable of carrying seven or more passengers for hire which does not carry a valid and current certificate of inspection from the U.S. Coast Guard and which operates upon any state waters over which the U.S. Coast Guard does not have jurisdiction for navigational safety.

Effective Date June 7, 1979
WASHINGTON (cont'd)

C. Chapter No. 102, Laws of 1979 (House Bill 279)

Raises the jurisdiction of certain small claims departments of justices courts from $300 maximum to $500 maximum. Those small claim departments which have had a maximum jurisdiction of $200 remain unchanged.

Effective Date May 1, 1979

D. Chapter 103, Laws of 1979 (Substitute House Bill 425)

Allows superior courts to submit civil actions to mandatory arbitration where the sole relief sought is a money judgement not in excess of $10,000.

Effective Date July 1, 1980

E. Chapter 114, Laws of 1979 (Senate Bill 2339)

Defines nursing assistant in nursing homes, establishes a program of training for nursing assistants, provides for certification of nursing assistants and allows for rate adjustments to nursing homes for additional costs incurred in carrying out the requirements of this Act.

Effective Date June 7, 1979

F. Chapter 124, Laws of 1979 (Senate Bill 2479)

Authorizes state chartered banking institutions to invest up to five percent of paid-in capital and surplus in small business investment companies.

Effective Date June 7, 1979

G. Chapter 128, Laws of 1979 (Substitute House Bill 92)

Provides for voluntary exemption from state industrial insurance coverage for any corporate officer who is also a director and shareholder of the corporation.

Effective Date June 7, 1979

H. Chapter 134, Laws of 1979 (House Bill 141)

Permits purchase of tonnage for vehicles or combinations having a declared gross weight of 12,000 pounds or more on a monthly basis or any number of months up to a full year.

Effective Date June 7, 1979

I. Chapter 22, Laws of 1979, First Extraordinary Session (Substitute Senate Bill 2482)

Changes the place for the filing of a certificate of assumed (trade) name from the Office of the County Clerk to the State Department of Licensing.

Effective Date July 1, 1979
J. Chapter 89, Laws of 1979, First Extraordinary Session (Substitute Senate Bill 2161)

Amends existing laws on public works contracts to allow first class cities to establish a small works roster and invite proposals from contractors who have requested to be on the roster for projects having an estimated cost of $30,000 or less. Whenever possible at least one proposal will be requested from a minority contractor. A second or third class city or a town may use the same procedure for contracts of $20,000 or less.

Effective Date September 1, 1979

K. Chapter 116, Laws of 1979, First Extraordinary Session (House Bill 280)

Requires that the current contractors registration number be included in all advertising, contracts, correspondence, cards, signs, posters, papers, and documents prepared by the contractor which show the contractors name or address.

Effective Date January 1, 1980

L. Chapter 156, Laws of 1979, First Extraordinary Session (Senate Bill 2905)

Redefines specialty electrician. Establishes approved activities and required supervision for apprentices and others who are learning the electrical construction trade and requires an annual electrical training certificate. Sets out minimum supervision requirements and establishes the allowable ratio of noncertified electricians to certified journeymen or specialty electricians. Raises the requirements for eligibility to take an examination for the certificate of competency.

Effective Date September 1, 1979

M. Chapter 190, Laws of 1979, First Extraordinary Session (House Bill 650)

Establishes penalties for late filing of employers reports with the Employment Security Department or late payment of unemployment compensation contributions.

Effective Date September 1, 1979

N. Chapter 196, Laws of 1979, First Extraordinary Session (Substitute House Bill 302)

The amount of gross receipts below which the Business and Occupations tax is not assessed is raised from $300 per month to $1,000 per month.

Effective Date July 1, 1979
WASHINGTON (cont'd)

O. Chapter 211, Laws of 1979, First Extraordinary Session (Substitute Senate Bill 2336)

Establishes minimum standards for nursing home and resident care facilities which receive reimbursement from the state.

Effective Date January 1, 1980

P. Chapter 236, Laws of 1979, First Extraordinary Session (Senate Bill 2763)

Extends the expiration of a judgement from six years to ten years. Eliminates the provision for reviving to continuing a judgement which is unsatisfied at the end of five years.

Effective Date September 1, 1979

Q. Chapter 266, Laws of 1979, First Extraordinary Session (Substitute Senate Bill 2929)

Eliminates the sales tax on a used mobile home which has substantially lost its identity as a mobile unit. Also eliminates the sales tax on the rental or lease of a mobile home in most cases.

Effective Date Immediate

Tax Changes: The 6% B&O surtax has been dropped. Sales tax has been decreased by one-tenth of one percent.

NM:30/223-226

III. Other Significant Programs

A. One Stop Permits

1. Permits Coordination - The State of Washington has established a one stop licensing center. The pilot program was for groceries; the state has since expanded the program to include other businesses.

2. Authorization - Section 43.31.870 et. seq. Revised Code of Washington

IV. Small Business Office

A. The Small Business Division is located in the Department of Commerce and Economic Development. Contact Douglas Clark (206) 753-5614

B. Powers, duties and services -

1. Provide a focal point and assist small businesses in their dealings with federal, state, and local governments, including but not limited to providing ready access to information regarding government requirements which affect small businesses.
WASHINGTON (cont'd)

2. Develop programs which will assist or otherwise encourage professional or business associations and other service organizations in the public sector to provide useful and needed services to small businesses.

3. Arrange for and hold meetings, in cooperation with public schools, community colleges, universities, and other public and private educational programs to the extent practicable, which provide worthwhile training and dissemination of information beneficial to the state's small businesses.

5. Coordinate with all other state agencies to foster participation of small businesses in providing services and materials to state agencies as follows:
   a. Provide a guide to businesses on the purchasing procedures and practices of agencies, including a list of state employees responsible for such state purchases. The guide shall be updated at least every two years.
   b. Assist the state agencies in developing master bid lists which include small businesses.
   c. Secure information from all state agencies as to the size of businesses supplying goods and services to each state agency; and
   d. Assist each state agency so that a larger percentage of the goods and services purchased by each state agency can be supplies by small businesses.

6. Conduct research in the following areas:
   a. Identify business associations which represent small businesses and maintain an up to date list of such associations.
   b. Develop methods and practices to encourage prime contractors to let subcontracts to small businesses.
   c. Research methods to utilize small businesses for developing economically depressed areas or providing jobs for unemployed persons.
   d. Develop programs to be utilized by all state agencies to encourage the development of small businesses. The office shall coordinate these programs with the political subdivisions of the state.
   e. Coordinate the office's activities with the federal small business administration, the small business committees of the two houses of the United States Congress, and all other state or federal agencies formed for the purpose of aiding small businesses.
WASHINGTON (cont'd)

C. Definition - "Small Business" means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated from all other businesses and which has fifty or fewer employees.

D. Authorization - Section 43.31.915 et. seq. Revised Code of Washington

V. Procurement Program

A. Goal - General goal to increase small business share of state procurement.
WEST VIRGINIA

Legislative matters dealing with small business would likely be referred to the Committee on Industry and Labor in the House and the Committee on the Energy, Industry and Mining in the Senate. The West Virginia Legislature has no specific structure for dealing with small business matters and bills are generally referred to committee based on specific subject matter.

Economic development initiatives and loan programs (Chapter 31, Art. 14 and 15) as well as Business Development Corporations (Chapter 31, Art. 14) have been created by the legislature but these programs are not designed only for small businesses.

Additionally, the 1977 legislature created the Office of Economic and Community Development within the Governor's Office. Within this office, the Director has created a Small Business Service Unit for the purpose of assisting small businesses in West Virginia.
Key Committee(s) Identified
Recent Legislative Activity
Pending Legislation
On-Going Project or Studies
Small Business Office
Complaint Handling

Economic Development
Education/Mgmt. Assistance
Procurement Program
Loan Program
Advisory Panel
Other Significant Programs

I. Key Committee(s) Identified

A. Senate

Committee on Energy, Industry and Mining
Chairman: Alan L. Susman (D)
State Capitol
Charleston, WV 25305
(304) 348-3456

B. House

Committee on Industry and Labor
Chairman: Larry Wiedebusch (D)
State Capitol
Charleston, WV 25305
(304) 348-3456

No programs specifically designed for Small Business were identified by the survey.
Small business matters are referred to the Small Business Committee in the Wisconsin Assembly and usually to the Aging, Business, and Financial Institutions Committee in the Senate. Established in June, 1978 through Joint Resolutions 34 and 100, the Legislative Council Special Committee on Small Business plays a unique role in the Legislature. The Committee essentially performs a research function and reports its findings, with recommendations, on small business matters to the General Assembly. It should be noted that bills are generally referred to committee based on specific subject matter, therefore, all bills that affect small business are not necessarily referred to the committees mentioned here.

Over the past few years, the Wisconsin Legislature has had an excellent record in its support of small business. Since 1975 several temporary subcommittees have been created to handle small business concerns. Legislation was passed in 1977 establishing a state procurement program for small and minority businesses, as well as, the creation of the Council on Small and Minority Business Opportunities within the state Department of Administration. Also in 1977, Wisconsin's Assembly established the Assembly Committee on Small Business as a permanent standing committee. This committee was instrumental in the passage of AB 523 that established the small business procurement program and created the Council on Small and Minority Business Opportunities.

In the most recent session the General Assembly passed noteworthy legislation that deals with the states tax structure. Most significant in its impact is the increased inheritance tax exemption for transfers to the surviving spouse of the decedent from $50,000 to $250,000. Additionally, legislation was passed allowing corporations doing business in Wisconsin, if they choose, to be taxed in the same manner as under the Federal Internal Revenue Service Code, Subchapter S.

Also, in the 1979 session, legislation was passed that establishes the small business ombudsman as the statutory responsibility of the Department of Business Development. Funds have been allocated and positions
Wisconsin (cont'd.)

created for small business support in the University of Wisconsin-Extension as a result of legislative activity in this most recent session.
I. Key Committee(s) Identified

A. Senate
Aging, Business and Financial Institutions and Transportation
Chairman: Timothy F. Cullen (D)
State Capitol
Madison, WI 53702
(608) 266-1007

B. House
Commerce and Consumer Affairs
Chairman: Majorie M. Miller (D)
State Capitol
Madison, WI 53202
(608) 266-2211

Small Business Committee
Chairman: Donald Hasenohrl (D)
State Capitol
Madison, WI 53202
(608) 266-8366

C. Legislative Council
Special Committee on Small Business
Chairman: Senator Michele Radosevich (D)
Room 136 South, State Capitol
Madison, WI 53702
(608) 266-5660

II. Recent Legislative Activity

A. Chapter 1, Laws of 1979. Provides that corporations doing business in Wisconsin could elect to be taxed under Wisconsin law in the same manner as the corporation is taxed under Federal Internal Revenue Code, Subchapter S.

B. Chapter 1, Laws of 1979, Section 47. Wisconsin's inheritance tax exemption for transfers to the surviving spouse of the decedent was increased from $50,000 to $250,000. The exemption for transfers to direct ancestors and descendants of the decedent was increased from $4,000 to $10,000.

WISCONSIN (cont'd)

1. Establishes the small business ombudsman as a statutory responsibility of the Department of Business Development of Business Development. The Department is required to "maintain a small business ombudsman program to provide advice and assistance to small business concerning their interactions with state agencies."

2. Provides $100,000 and 208 positions in each year of the biennial budget for small business support in the University of Wisconsin-Extension. The funds may be used as the establishment of a federally-funded small business development center.

III. On-Going Projects or Studies

1. The Wisconsin Legislative Council's Special Committee on Small Business in 1977, conducted a study on the relation of state government to small business. The study focused on three major topics: determining what is a small business; determining what the state is currently doing for small business; and identifying the problems of small business.

2. The Committee's key recommendations focused on specific areas of the Wisconsin tax structure, i.e., inheritance taxes, capital gains taxes, and corporate taxes. The inheritance tax recommendation was the only one to be acted upon by the 1979 Legislature.

IV. Procurement

A. Goal - None specified.

B. Definition - "Small Business" means a business which has had less than $1.5 million in gross annual sales in the most recent calendar or fiscal year.

C. Council of Small and Minority Business Representatives - Review small business participation and advise the state with respect to improvements.

D. Other Activities - Department of Administration will develop and maintain small business bidder tests, conduct outreach and simplify procurement procedures.

E. Authorization - Sections 15.1070, 16-75 (2) and 16.766 of Wisconsin Statutes.

V. Other Significant Programs

A. In the 1977 session the Assembly established the Assembly Committee on Small Business as a regular standing Committee.

B. Small Business Ombudsman

1. Contact Edith Borden - (608) 266-9465

2. Powers, duties and services -
WISCONSIN (cont'd)

a. Handles complaints and problems pertaining to governmental agencies.

b. Recommends legislative or administrative rule changes.

c. Acts as advocate for small business.

d. Performs community outreach.

3. Authorization - Budget created
WYOMING

The Wyoming Legislature has no special structure for handling small business matters. Bills are referred to committee based on specific subject matter.
<table>
<thead>
<tr>
<th>Key Committee(s) Identified</th>
<th>Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Legislative Activity</td>
<td>Education/Mgmt. Assistance</td>
</tr>
<tr>
<td>Pending Legislation</td>
<td>Procurement Program</td>
</tr>
<tr>
<td>On-Going Project or Studies</td>
<td>Loan Program</td>
</tr>
<tr>
<td>Small Business Office</td>
<td>Advisory Panel</td>
</tr>
<tr>
<td>Complaint Handling</td>
<td>Other Significant Programs</td>
</tr>
</tbody>
</table>

I. No special structure for handling small business matters was identified by the survey.

II. No programs specifically designed for small business were identified by the survey.
SMALL BUSINESS SURVEY
TELEPHONE INTERVIEWS
(SELECTED SAMPLES)
1. Impetus for California legislative activity in the small business area:
   - Industry Associations - recommending and supporting bills which affect particular industries (see attached list)
   - Legislative members - many legislators initiate activity
   - Small business associations - Mr. Shahabian pointed out that on the whole these organizations have been a disappointment:
     - Small businessmen have not committed enough funds to their lobbying efforts;

2. This committee is a Research Committee which does not hear bills. The committee's responsibilities include the development of background material for legislation and drafting legislation.

3. Mr. Shahabian surveyed the fifty states in regard to small business legislative and administrative activity. He was most impressed with the Bank of North Dakota's loan assistance, particularly in the area of farm assistance.

4. The feeling was expressed that the committee does receive "high-quality" information.

5. The opinion was expressed that the small business community generally fails to see its self-interest in the legislature. Inadequate funds are committed to the political process and was cited as a chief inhibitor to improved relations between the legislature and the small business community. Mr. Shahabian pointed out that there are specific reasons for this phenomenon.
   - Many small businesses tend to be ideological in their outlook. Heavy concentration of conservatives.
   - Many small businessmen tend to be parochial in their outlook. Tendency is to focus on their own specific business interest without a view of the broad small business interests.

6. Many individual businessmen have expressed anti big business sentiment to the committee.
Telephone Interview
John Shahabian (cont'd.)

7. Some of the biggest concerns for small businesses are permits, licensing, paperwork, and government regulations generally because they lack the staff capabilities of the larger firm.

8. Small businesses tend to rely on their specific trade associations for representation.

9. Most of the issues of real importance to small businesses tend to be local issues such as licenses, permits, building codes, i.e. things which the legislature is not involved in. Taxation problems are the single largest issue in which the legislature participates.

10. Mr. Shahabian made the point that small business issues should be of national concern and that with adequate resources could be "sold" to the legislatures. One problem of this was cited; the first groups to recognize the nature of these small business issues are the large businesses who then attempt to co-opt the small business interests. One example, support for large tax exemptions which apply to small businesses as well but result in a clear competitive advantage for the larger firm.

11. An interesting development in California is the emergence of ethnic oriented chambers of commerce. Best example: Mexican American Chamber of Commerce. One major advantage to this type of group is its ability to distinguish between small and large business issues and interests.

12. Suggestions for the smallbusiness community so as to improve their relationship with the legislature:
   - Consciousness raising, that is to begin to understand how government works, the role of government and the role of law in the operation of their business. The point was made that many small businesses assume that the law functions only from a regulatory point of view.
   - Organization under areas of real commonalities, i.e.: income classes and employment classes as examples, as opposed to parochial trade associations.

13. The most effective program: Procurement, especially where the 5% preference is applied.

14. Why is California such a leader in the area of small business legislation and support? California has a "sense of the possible". No issues seem to be settled, that is, all issues are negotiable.

California's most active business associations:

California Association of Independent Business
Contact: Jim Gaff (714) 984-6424
California's most active business associations (continued):

National Independent Business Alliance
Contact: Gordon Bizar (213) 652-1946

National Federation of Independent Business
Contact: Eugene Andrews (415) 341-7441

California Council Industrial Business Association
Contact: Sal Bender (213) 736-6820
(Publishes several Industrial Newspapers)

California Electronics Association
Contact: Harry Midcuff (213) 679-9186
Connecticut's legislative activity in encouraging small business is a result of attempts on the part of the state to provide the conditions that permit economic prosperity.

Impetus for Connecticut's activity in the area of small business legislation has come from minority interests. Two legislators that have been particularly active were cited: Rep. A. Boyd Hinds, Jr., (203) 566-8114; Sen. Richard F. Schneller, (203) 566-4237.

Connecticut's Legislature is only vaguely aware of other states' activities in the area of small business legislation. The information they have is generally the result of the Joint Planning and Development Committee's inquiries. Much of this information comes through the Connecticut Association of Municipal Development Officials. Contact: Victor Allan, Department of Economic Development, (203) 566-4430.

Mr. McGuire cited the state set-aside as the most significant program affecting small businesses in Connecticut.

Connecticut's small business community has not been as effective as is possible. Representation is generally through specific trade associations. The opinion was expressed that a small business lobbying group would probably not benefit small businessmen since each business has characteristics which are unique.

No suggestions were made as to how small businessmen can improve their relationship with the legislature.

The small business community is not well informed as to the legislature's structure and role as it affects small business. The opinion was expressed that this information would not necessarily benefit small businessmen since most of them do not become concerned with the legislative process until it directly affects them.
Telephone Interview -- August 9, 1979

Michael Greer, Committee Administrator
Interim Joint Committee on Business
    and Professional Organizations
State Capitol
Frankfort, KY 40601
(502) 564-8100

1. Interest is beginning to emerge in addressing small business issues as a major committee activity in the 1980 interim.

2. Our small business survey and the resultant inquiry has had a consciousness raising effect. That is it brought the issue to the attention of key legislative leaders.

3. Failure to act in this area was described as the result of benign neglect.

4. The subject has not really been brought up before this time. This seems to indicate that Kentucky's small business community has not expressed their needs to the legislature.

5. It is reasonable that the committee will devote its entire 1980 interim to small business matters. A general plan was described: a presession conference with outside resource persons so as to generate increased interest; the committee will define areas of major interest; subcommittees to be formed for researching specific areas and making recommendations.

6. No specific knowledge or awareness of other states' awareness regarding small business matters/legislation.

7. Small business representation in Kentucky is generally through trade associations and the state Chamber of Commerce.

8. The only small business input into the Kentucky Legislature has been in a negative vein. That is, they have fought legislation that appears harmful to their cause. On the other hand, they have not attempted input as a means to gain supportive legislation or programs.
1. Impetus for small business activity came from three sources.
   - Joint Study Committee on Taxation recommendations
   - Mississippi Economic Council recommendations
   - Mississippi Manufacturers Association recommendations

2. No discussion on separating small business matters from other general business matters.

3. Representative Lambert has attended only one conference on small business related matters - Lexington, KY 1975.

4. Mississippi Legislature's greatest need from the small business community is more input as to their needs and desires. It was pointed out that the small business community needs to better organize so as to be more effective in their relations with the legislature.

5. It is felt that the information being received is accurate, the needs appear to be for more information.

6. Representative Lambert stated that he felt Mississippi's Legislature is not doing as much as it could and suggested that better mechanics for information sharing could be set up through the Mississippi Board of Economic Development.

   Under the old Agricultural and Industrial Board (35 members) the process was too cumbersome. The new Board of Economic Development (14 members) could streamline the process. Additionally, the membership of this board are required to have specific amounts of educational and business experience, i.e. college degree and five years of business experience.

7. Small business has not been effective in expressing its needs to the Mississippi Legislature. Problems:
   - Small businessmen do not know how to put together a formal request for assistance.
   - The legislature has failed to provide the small business community with the necessary expertise for putting together a formal request for assistance.
   - The legislature may have been inadequately staffed to provide such services.
Telephone Interview
A. C. Lambert (cont'd.)

8. Educating small businessmen as to the operations of the legislature, key committees and key members was cited as an effective means to increase information exchange and to improve relationships. Representative Lambert felt it would be very beneficial if small businessmen organized a small business community for representation purposes rather than through trade associations or similarly narrow entities.

9. Most significant program cited: The establishment of the Mississippi Board of Economic Development.
1. Senator Kilpatrick is not aware of any programs specifically designed for small businesses.

2. The Senator's feeling is that Oklahoma has not unduly burdened the small business community, bureaucratically, governmentally, or legislatively.

3. The feeling was expressed that it is the philosophy of the state to keep regulation to a minimum and allow the free enterprise system to operate. One of the Senator's observations during his nine (9) years in the legislature is the inability of government to solve problems for people.

4. The vast majority of small business input is in the negative vein, that is, they lobby against burdensome legislation rather than seeking support for programs that would benefit them.

5. Senator Kilpatrick cited large amounts of paperwork required by the state as the major reason that small businesses do not frequently do business with the state. He also pointed out that larger businesses are reluctant to engage in business with the state for the same reason.

6. Senator Kilpatrick is generally unaware of what other states have been doing in the area of small business legislation.

7. There has been no discussion of separating small business matters from other general business matters in the Oklahoma Legislature. It was pointed out that there is a general awareness that small businesses have, to some extent, different needs, concerns and problems from that of large businesses.

8. Small business is represented to the legislature through trade associations, state and local chambers of commerce. The level and quality of representation varies greatly from one group to the next.

9. Senator Kilpatrick did not feel that small business is at a disadvantage by not having a general lobbying group to represent their interest. He expressed the opinion that inflation is the number one enemy of small business.

10. No suggestions were made as to how small business could improve its relationship with the Oklahoma Legislature.
1. Senator Fears feels that the Virginia Legislature has been supportive of small business. Two legislative actions he cited are: adoption of the Uniform Commercial Code; and legislation that passed allowing for accelerated depreciation paralleling the federal tax structure (no citation given).

2. There has been no significant discussion regarding the separation of small business matters from other general business matters in the legislature.

3. Senator Fears stated that many legislators attend various meetings around the country reviewing other legislatures' activities on a variety of subjects including small business matters.

4. Small business representation to the legislature is through chambers of commerce and specific trade associations. Senator Fears feels this representation is adequate.

5. The phasing out of Virginia's inheritance tax, to be complete in 1980 was cited as the most significant legislative action affecting small business.

6. Senator Fears feels that the plethora of laws/regulations now in effect is the greatest burden on small business. Free enterprise should be allowed to function with as few incumbrances as possible.

7. No suggestions were made as to how Virginia's small business community could improve its relationship with the legislature.
1. Recent impetus for legislative activity came from the Department of Commerce and the Department of Licensing, i.e. creation of a "one-stop" licensing.

2. Senator Hollebeke has not investigated nor is he aware of small business legislative activity in other states.

3. Washington Association of Independent Businessmen was cited as the means by which the business community is represented in the legislature. It was pointed out that the association is relatively new in the state and is generally dominated by the larger businesses.

4. The Department of Commerce and Economic Development has recently gotten active in international business and is developing overseas markets for Washington business. One office has recently been opened in Singapore and they are looking into the possibility of opening another in Japan.

5. The small business community is not as well represented in the legislature as desirable. Expressed that there is a need for small businessmen to "band together" in expressing their needs and desires to the legislature. Mentioned that the small business community needs to be made aware of the importance of a sound relationship with the legislature.

6. Suggested that the small businessmen would benefit by getting known by and getting to know legislators on a one-to-one basis. Personal contacts was described as the best method by which the small business community could make their needs and desires known.

7. The legislature is generally sympathetic and supportive of needs and desires of the small business community.
Telephone Interview -- August 7, 1979

Edward D. Moore, Chairman
House Corporation, Elections and Political Subdivisions Committee
State Capitol
Cheyenne, WY 82002
(307) 777-7011

1. Wyoming assists small business by maintaining minimum governmental interference.

2. The fact that the small business community in Wyoming is very healthy was presented as support for this form of small business "assistance". It was pointed out that Wyoming has a below national average unemployment rate, the state's economic growth is above the national average and the per capita tax rate is one of the lowest in the nation.

3. That no legislative activity in the area of small business was identified appears to be the result of the fact that no perceived need is evident. This seems also to indicate that the small business community has not brought their needs to the legislature's attention.

4. Small business representation in the Wyoming Legislature is generally through trade associations.

5. Little knowledge/awareness of what other states are doing in the area of small business legislation was expressed.

6. It was pointed out that the only area recognized as possibly needing attention by the legislature is loan interest rates. No need has been expressed by the small business community.
CONTACT LIST FOR STATE SURVEY
OF
SMALL BUSINESS LEGISLATIVE ACTIVITY
1979 State Legislative Session Dates

<table>
<thead>
<tr>
<th>State</th>
<th>Session Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALABAMA</td>
<td>February 6 - May 21</td>
</tr>
<tr>
<td>ALASKA</td>
<td>January 15 - about June 1</td>
</tr>
<tr>
<td>ARIZONA</td>
<td>January 8 - about June 1</td>
</tr>
<tr>
<td>ARKANSAS</td>
<td>January 8 - March 9</td>
</tr>
<tr>
<td>CALIFORNIA</td>
<td>December 4, 1978 - early September 1979</td>
</tr>
<tr>
<td>COLORADO</td>
<td>January 3 - about June 1</td>
</tr>
<tr>
<td>CONNECTICUT</td>
<td>January 3 - June 6</td>
</tr>
<tr>
<td>DELAWARE</td>
<td>January 9 - June 30</td>
</tr>
<tr>
<td>FLORIDA</td>
<td>April 3 - June 2</td>
</tr>
<tr>
<td>GEORGIA</td>
<td>January 8 - mid-March</td>
</tr>
<tr>
<td>HAWAII</td>
<td>January 17 - mid-April</td>
</tr>
<tr>
<td>IDAHO</td>
<td>January 8 - late March</td>
</tr>
<tr>
<td>ILLINOIS</td>
<td>January 10 - June 30</td>
</tr>
<tr>
<td>INDIANA</td>
<td>January 8 - late April</td>
</tr>
<tr>
<td>IOWA</td>
<td>January 8 - about June 1</td>
</tr>
<tr>
<td>KANSAS</td>
<td>January 8 - early 1979</td>
</tr>
<tr>
<td>KENTUCKY</td>
<td>no 1979 session</td>
</tr>
<tr>
<td>LOUISIANA</td>
<td>April 16 - July 10</td>
</tr>
<tr>
<td>MAINE</td>
<td>January 3 - mid-June</td>
</tr>
<tr>
<td>MARYLAND</td>
<td>January 10 - April 10</td>
</tr>
<tr>
<td>MASSACHUSETTS</td>
<td>January 3 - all year</td>
</tr>
<tr>
<td>MICHIGAN</td>
<td>January 10 - all year</td>
</tr>
<tr>
<td>MINNESOTA</td>
<td>January 2 - mid-Feb</td>
</tr>
<tr>
<td>MISSISSIPPI</td>
<td>January 2 - April 1</td>
</tr>
<tr>
<td>MISSOURI</td>
<td>January 3 - June 30</td>
</tr>
<tr>
<td>MONTANA</td>
<td>January 1 - mid-April</td>
</tr>
<tr>
<td>MONTANA</td>
<td>January 3 - mid-April</td>
</tr>
<tr>
<td>NEVADA</td>
<td>January 15 - early May</td>
</tr>
<tr>
<td>NEW HAMPSHIRE</td>
<td>January 3 - June</td>
</tr>
<tr>
<td>NEW JERSEY</td>
<td>January 9 - all year</td>
</tr>
<tr>
<td>NEW MEXICO</td>
<td>January 16 - March 17</td>
</tr>
<tr>
<td>NEW YORK</td>
<td>January 3 - about July 1</td>
</tr>
<tr>
<td>NORTH CAROLINA</td>
<td>January 10 - about July 1</td>
</tr>
<tr>
<td>NORTH DAKOTA</td>
<td>January 9 - about April 1</td>
</tr>
<tr>
<td>OHIO</td>
<td>January 2 - December</td>
</tr>
<tr>
<td>OKLAHOMA</td>
<td>January 2 - about June 1</td>
</tr>
<tr>
<td>OREGON</td>
<td>January 8 - June</td>
</tr>
<tr>
<td>PENNSYLVANIA</td>
<td>January 2 - all year</td>
</tr>
<tr>
<td>RHODE ISLAND</td>
<td>January 2 - May</td>
</tr>
<tr>
<td>SOUTH CAROLINA</td>
<td>January 9 - about July 1</td>
</tr>
<tr>
<td>SOUTH DAKOTA</td>
<td>January 16 - March 19</td>
</tr>
<tr>
<td>TENNESSEE</td>
<td>January 2 - January 17; February 27 - June</td>
</tr>
<tr>
<td>TEXAS</td>
<td>January 9 - May 29</td>
</tr>
<tr>
<td>UTAH</td>
<td>January 8 - March 9</td>
</tr>
<tr>
<td>VERMONT</td>
<td>January 3 - April 12</td>
</tr>
<tr>
<td>VIRGINIA</td>
<td>January 10 - February 10</td>
</tr>
<tr>
<td>WASHINGTON</td>
<td>January 8 - June</td>
</tr>
<tr>
<td>WEST VIRGINIA</td>
<td>January 9; February 14 - April 15</td>
</tr>
<tr>
<td>WISCONSIN</td>
<td>January 9 - June 30 (fall session probable)</td>
</tr>
<tr>
<td>WYOMING</td>
<td>January 9 - February 23</td>
</tr>
</tbody>
</table>