

108TH CONGRESS
1ST SESSION

H. R. 205

IN THE SENATE OF THE UNITED STATES

APRIL 9, 2003

Received; read twice and referred to the Committee on Small Business and
Entrepreneurship

AN ACT

To amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a program to provide regulatory compliance assistance to small business concerns, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Small Busi-
3 ness Regulatory Assistance Act of 2003”.

4 **SEC. 2. PURPOSE.**

5 The purpose of this Act is to establish a program
6 to—

7 (1) provide confidential assistance to small
8 business concerns;

9 (2) provide small business concerns with the in-
10 formation necessary to improve their rate of compli-
11 ance with Federal and State regulations;

12 (3) create a partnership among Federal agen-
13 cies to increase outreach efforts to small business
14 concerns with respect to regulatory compliance;

15 (4) provide a mechanism for unbiased feedback
16 to Federal agencies on the regulatory environment
17 for small business concerns; and

18 (5) utilize the service delivery network of Small
19 Business Development Centers to improve access of
20 small business concerns to programs to assist them
21 with regulatory compliance.

22 **SEC. 3. DEFINITIONS.**

23 In this Act, the definitions set forth in section 36(a)
24 of the Small Business Act (as added by section 4 of this
25 Act) shall apply.

1 **SEC. 4. SMALL BUSINESS REGULATORY ASSISTANCE PRO-**
2 **GRAM.**

3 The Small Business Act (15 U.S.C. 637 et seq.) is
4 amended—

5 (1) by redesignating section 36 as section 37;

6 and

7 (2) by inserting after section 35 the following
8 new section:

9 **“SEC. 36. SMALL BUSINESS REGULATORY ASSISTANCE PRO-**
10 **GRAM.**

11 “(a) DEFINITIONS.—In this section, the following
12 definitions apply:

13 “(1) ADMINISTRATOR.—The term ‘Adminis-
14 trator’ means the Administrator of the Small Busi-
15 ness Administration, acting through the Associate
16 Administrator for Small Business Development Cen-
17 ters.

18 “(2) ASSOCIATION.—The term ‘Association’
19 means the association recognized by the Adminis-
20 trator of the Small Business Administration under
21 section 21(a)(3)(A).

22 “(3) PARTICIPATING SMALL BUSINESS DEVEL-
23 OPMENT CENTER.—The term ‘participating Small
24 Business Development Center’ means a Small Busi-
25 ness Development Center participating in the pro-
26 gram.

1 “(4) PROGRAM.—The term ‘program’ means
2 the regulatory assistance program established under
3 this section.

4 “(5) REGULATORY COMPLIANCE ASSISTANCE.—
5 The term ‘regulatory compliance assistance’ means
6 assistance provided by a Small Business Develop-
7 ment Center to a small business concern to enable
8 the concern to comply with Federal regulatory re-
9 quirements.

10 “(6) SMALL BUSINESS DEVELOPMENT CEN-
11 TER.—The term ‘Small Business Development Cen-
12 ter’ means a Small Business Development Center
13 described in section 21.

14 “(7) STATE.—The term ‘State’ means each of
15 the several States, the District of Columbia, the
16 Commonwealth of Puerto Rico, the Virgin Islands,
17 and Guam.

18 “(b) AUTHORITY.—In accordance with this section,
19 the Administrator shall establish a program to provide
20 regulatory compliance assistance to small business con-
21 cerns through participating Small Business Development
22 Centers, the Association, and Federal compliance partner-
23 ship programs.

24 “(c) SMALL BUSINESS DEVELOPMENT CENTERS.—

1 “(1) IN GENERAL.—In carrying out the pro-
2 gram, the Administrator shall enter into arrange-
3 ments with participating Small Business Develop-
4 ment Centers under which such centers will pro-
5 vide—

6 “(A) access to information and resources,
7 including current Federal and State nonpuni-
8 tive compliance and technical assistance pro-
9 grams similar to those established under section
10 507 of the Clean Air Act Amendments of 1990;

11 “(B) training and educational activities;

12 “(C) confidential, free-of-charge, one-on-
13 one, in-depth counseling to the owners and op-
14 erators of small business concerns regarding
15 compliance with Federal and State regulations,
16 provided that such counseling is not considered
17 to be the practice of law in a State in which a
18 Small Business Development Center is located
19 or in which such counseling is conducted;

20 “(D) technical assistance; and

21 “(E) referrals to experts and other pro-
22 viders of compliance assistance who meet such
23 standards for educational, technical, and profes-
24 sional competency as are established by the Ad-
25 ministrator.

1 “(2) REPORTS.—

2 “(A) IN GENERAL.—Each participating
3 Small Business Development Center shall trans-
4 mit to the Administrator a quarterly report that
5 includes—

6 “(i) a summary of the regulatory com-
7 pliance assistance provided by the center
8 under the program; and

9 “(ii) any data and information ob-
10 tained by the center from a Federal agency
11 regarding regulatory compliance that the
12 agency intends to be disseminated to small
13 business concerns.

14 “(B) ELECTRONIC FORM.—Each report re-
15 ferred to in subparagraph (A) shall be trans-
16 mitted in electronic form.

17 “(C) INTERIM REPORTS.—A participating
18 Small Business Development Center may trans-
19 mit to the Administrator such interim reports
20 as the center considers appropriate.

21 “(D) LIMITATION ON DISCLOSURE RE-
22 QUIREMENTS.—The Administrator may not re-
23 quire a Small Business Development Center to
24 disclose the name or address of any small busi-
25 ness concern that received or is receiving assist-

1 ance under the program, except that the Ad-
2 ministrator shall require such a disclosure if or-
3 dered to do so by a court in any civil or crimi-
4 nal action.

5 “(d) DATA REPOSITORY AND CLEARINGHOUSE.—

6 “(1) IN GENERAL.—In carrying out the pro-
7 gram, the Administrator shall—

8 “(A) act as the repository of and clearing-
9 house for data and information submitted by
10 Small Business Development Centers; and

11 “(B) transmit to the President, the Com-
12 mittee on Small Business and Entrepreneurship
13 of the Senate, and the Committee on Small
14 Business of the House of Representatives an
15 annual report that includes—

16 “(i) a description of the types of as-
17 sistance provided by participating Small
18 Business Development Centers under the
19 program;

20 “(ii) data regarding the number of
21 small business concerns that contacted
22 participating Small Business Development
23 Centers regarding assistance under the
24 program;

1 “(iii) data regarding the number of
2 small business concerns assisted by partici-
3 pating Small Business Development Cen-
4 ters under the program;

5 “(iv) data and information regarding
6 outreach activities conducted by partici-
7 pating Small Business Development Cen-
8 ters under the program, including any ac-
9 tivities conducted in partnership with Fed-
10 eral agencies;

11 “(v) data and information regarding
12 each case known to the Administrator in
13 which one or more Small Business Devel-
14 opment Centers offered conflicting advice
15 or information regarding compliance with a
16 Federal or State regulation to one or more
17 small business concerns;

18 “(vi) any recommendations for im-
19 provements in the regulation of small busi-
20 ness concerns; and

21 “(vii) a list of regulations identified
22 by the Administrator, after consultation
23 with the Small Business and Agriculture
24 Regulatory Enforcement Ombudsman, as
25 being most burdensome to small business

1 concerns, and recommendations to reduce
2 or eliminate the burdens of such regula-
3 tions.

4 “(e) ELIGIBILITY.—

5 “(1) IN GENERAL.—A Small Business Develop-
6 ment Center shall be eligible to receive assistance
7 under the program only if the center is certified
8 under section 21(k)(2).

9 “(2) WAIVER.— With respect to a Small Busi-
10 ness Development Center seeking assistance under
11 the program, the administrator may waive the cer-
12 tification requirement set forth in paragraph (1) if
13 the Administrator determines that the center is
14 making a good faith effort to obtain such certifi-
15 cation.

16 “(3) EFFECTIVE DATE.—The restriction de-
17 scribed in paragraph (1) shall not apply to any
18 Small Business Development Center before October
19 1, 2003.

20 “(f) SELECTION OF PARTICIPATING STATE PRO-
21 GRAMS.—

22 “(1) ESTABLISHMENT OF PROGRAM.—In con-
23 sultation with the Association and giving substantial
24 weight to the Association’s recommendations, the
25 Administrator shall select the Small Business Devel-

1 opment Center programs of 2 States from each of
2 the following groups of States to participate in the
3 program:

4 “(A) Group 1: Maine, Massachusetts, New
5 Hampshire, Connecticut, Vermont, and Rhode
6 Island.

7 “(B) Group 2: New York, New Jersey,
8 Puerto Rico, and the Virgin Islands.

9 “(C) Group 3: Pennsylvania, Maryland,
10 West Virginia, Virginia, the District of Colum-
11 bia, and Delaware.

12 “(D) Group 4: Georgia, Alabama, North
13 Carolina, South Carolina, Mississippi, Florida,
14 Kentucky, and Tennessee.

15 “(E) Group 5: Illinois, Ohio, Michigan, In-
16 diana, Wisconsin, and Minnesota.

17 “(F) Group 6: Texas, New Mexico, Arkan-
18 sas, Oklahoma, and Louisiana.

19 “(G) Group 7: Missouri, Iowa, Nebraska,
20 and Kansas.

21 “(H) Group 8: Colorado, Wyoming, North
22 Dakota, South Dakota, Montana, and Utah.

23 “(I) Group 9: California, Guam, Hawaii,
24 Nevada, and Arizona.

1 “(J) Group 10: Washington, Alaska,
2 Idaho, and Oregon.

3 “(2) DEADLINE FOR INITIAL SELECTIONS.—
4 The Administrator shall make selections under para-
5 graph (1) not later than 60 days after promulgation
6 of regulations under section 5 of the National Small
7 Business Regulatory Assistance Act of 2003.

8 “(3) ADDITIONAL SELECTIONS.—Not earlier
9 than the date 3 years after the date of the enact-
10 ment of this paragraph, the Administrator may se-
11 lect Small Business Development Center programs
12 of States in addition to those selected under para-
13 graph (1). The Administrator shall consider the ef-
14 fect on the programs selected under paragraph (1)
15 before selecting additional programs under this
16 paragraph.

17 “(4) COORDINATION TO AVOID DUPLICATION
18 WITH OTHER PROGRAMS.—In selecting programs
19 under this subsection, the Administrator shall give a
20 preference to Small Business Development Center
21 programs that have a plan for consulting with Fed-
22 eral and State agencies to ensure that any assist-
23 ance provided under this section is not duplicated by
24 an existing Federal or State program.

1 “(g) MATCHING NOT REQUIRED.—Subparagraphs
2 (A) and (B) of section 21(a)(4) shall not apply to assist-
3 ance made available under the program.

4 “(h) DISTRIBUTION OF GRANTS.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), each State program selected to receive a
7 grant under subsection (f) in a fiscal year shall be
8 eligible to receive a grant in an amount not to ex-
9 ceed the product obtained by multiplying—

10 “(A) the amount made available for grants
11 under this section for the fiscal year; and

12 “(B) the ratio that—

13 “(i) the population of the State; bears
14 to

15 “(ii) the population of all the States
16 with programs selected to receive grants
17 under subsection (f) for the fiscal year.

18 “(2) MINIMUM AMOUNT.—The minimum
19 amount that a State program selected to receive a
20 grant under subsection (f) shall be eligible to receive
21 under this section for any fiscal year shall be
22 \$200,000. The Administrator shall reduce the
23 amount described in paragraph (1) as appropriate to
24 carry out the purposes of this paragraph and sub-
25 section (j)(2).

1 “(i) EVALUATION AND REPORT.—Not later than 3
2 years after the establishment of the program, the Comp-
3 troller General of the United States shall conduct an eval-
4 uation of the program and shall transmit to the Adminis-
5 trator, the Committee on Small Business and Entrepre-
6 neurship of the Senate, and the Committee on Small Busi-
7 ness of the House of Representatives a report containing
8 the results of the evaluation along with any recommenda-
9 tions as to whether the program, with or without modifica-
10 tion, should be extended to include the participation of all
11 Small Business Development Centers.

12 “(j) AUTHORIZATION OF APPROPRIATIONS.—

13 “(1) IN GENERAL.—There are authorized to be
14 appropriated to carry out this section \$5,000,000 for
15 fiscal year 2003 and each fiscal year thereafter.

16 “(2) LIMITATION ON USE OF OTHER FUNDS.—

17 The Administrator may carry out the program only
18 with amounts appropriated in advance specifically to
19 carry out this section.”.

20 **SEC. 5. PROMULGATION OF REGULATIONS.**

21 After providing notice and an opportunity for com-
22 ment and after consulting with the Association (but not
23 later than 180 days after the date of the enactment of
24 this Act), the Administrator shall promulgate final regula-

1 tions to carry out this Act, including regulations that es-
2 tablish—

3 (1) priorities for the types of assistance to be
4 provided under the program;

5 (2) standards relating to educational, technical,
6 and support services to be provided by participating
7 Small Business Development Centers;

8 (3) standards relating to any national service
9 delivery and support function to be provided by the
10 Association under the program;

11 (4) standards relating to any work plan that
12 the Administrator may require a participating Small
13 Business Development Center to develop; and

14 (5) standards relating to the educational, tech-
15 nical, and professional competency of any expert or
16 other assistance provider to whom a small business
17 concern may be referred for compliance assistance
18 under the program.

19 **SEC. 6. PRIVACY REQUIREMENTS APPLICABLE TO SMALL**
20 **BUSINESS DEVELOPMENT CENTERS.**

21 Section 21(c) of the Small Business Act (15 U.S.C.
22 648(c)) is amended by adding at the end the following:

23 “(9) PRIVACY REQUIREMENTS.—

24 “(A) IN GENERAL.—No Small Business
25 Development Center, consortium of Small Busi-

1 ness Development Centers, or contractor or
2 agent of a Small Business Development Center
3 shall disclose the name or address of any indi-
4 vidual or small business concern receiving as-
5 sistance under this section without the consent
6 of such individual or small business concern, ex-
7 cept that—

8 “(i) the Administrator shall require
9 such disclosure if ordered to do so by a
10 court in any civil or criminal action; and

11 “(ii) if the Administrator considers it
12 necessary while undertaking a financial
13 audit of a Small Business Development
14 Center, the Administrator shall require
15 such disclosure for the sole purpose of un-
16 dertaking such audit.

17 “(B) REGULATIONS.— The Administrator
18 shall issue regulations to establish standards for
19 requiring disclosures during a financial audit
20 under subparagraph (a)(ii).”.

Passed the House of Representatives April 8, 2003.

Attest:

JEFF TRANDAHL,

Clerk.