

SUBJECT: Small business advocate as the head of the Small Business Assistance Center.

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Wolens, S. Turner, Alvarado, Bailey, Brimer, Counts, Craddick, Danburg, Hunter, Longoria, McCall, Merritt

0 nays

3 absent — Hilbert, D. Jones, Marchant

WITNESSES: For —Celia Israel, Texas Association of Mexican American Chambers of Commerce; David Pinkus, Small Business United of Texas; Jan Triplett

Against —None

On —Charlotte Banks, Texas Department of Economic Development

BACKGROUND: SB 932 by Sibley expanded the role of the Office of Small Business Assistance to provide information to the Legislature and state agencies on the impact of proposed rules on small businesses, as well as to develop historically underutilized businesses, counsel small businesses, and disseminate information on state programs and services benefitting small businesses. The office is headed by a Small Business Ombudsman.

Small businesses account for about 40 percent of all private-sector non-farm jobs in Texas. Small businesses employing nine or fewer workers account for 74 percent of all establishments in the state. In focus groups conducted by the comptroller's 1998 Texas Performance Review, businesses expressed a desire for a single place to obtain basic federal and state registration requirements and information.

New business owners may not know which agencies have regulatory authority over their operations, and no single contact exists that has access to all the pertinent information. The Office of Small Business Assistance only provides state permit information.

DIGEST: HB 2022 would require the Office of Small Business Assistance to be headed by a small business advocate appointed by the governor. To be eligible to serve, a person would have to have demonstrated a strong commitment to, and involvement in, small business efforts. This bill also would require the office to develop a “one-stop” approach for all small business needs.

As soon as possible after the effective date, the governor would have to appoint a small business advocate to the office. This bill would take effect September 1, 1999.

NOTES: The committee substitute narrowed the scope of the proposed changes to the Office of Small Business Assistance. The original bill would have moved the office to the Governor’s Office from the Texas Department of Economic Development and expanded the office to focus on improving the business climate of small businesses in Texas.