

**ASSEMBLY BILL**

**No. 2196**

---

---

**Introduced by Assembly Member Smyth**

February 18, 2010

---

---

An act to add Section 65054.7 to the Government Code, relating to small business.

LEGISLATIVE COUNSEL'S DIGEST

AB 2196, as introduced, Smyth. Small business advocate: report on costly regulations.

Existing law creates the Office of Small Business Advocate in the Office of Planning and Research in the Governor's office, and requires the advocate to, among other things, receive and respond to complaints from small businesses concerning the actions of state agencies and the operative effects of state laws and regulations adversely affecting those businesses.

This bill would require the advocate to commission a study of the costs of specific state regulations on small businesses and identify the 10 costliest regulations on California small businesses. The bill would require the advocate to make recommendations on how California's regulatory process can more effectively assess the impact of these regulations on small businesses and methods for developing policy-appropriate alternatives, while avoiding recommendations that could diminish wage and hour, social insurance, or health and safety protections for workers. The bill would require the advocate to convene a small business advisory committee, as specified, to provide advice on the study. The bill would require the advocate, no later than October 1, 2011, to submit the completed study, including recommendations, to the Department of Finance and specified members of the Legislature.

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

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

1 SECTION 1. Section 65054.7 is added to the Government  
2 Code, to read:  
3 65054.7. The Office of Small Business Advocate shall do all  
4 of the following:  
5 (a) Commission a study of the costs of specific state regulations  
6 on small businesses, which shall identify the 10 costliest regulations  
7 on California small businesses and, among other things, do all of  
8 the following:  
9 (1) Parallel, to the extent feasible and practical, the scope and  
10 study on the impact of regulatory costs on small firms conducted  
11 by the federal Small Business Administration, with particular focus  
12 on the 10 costliest regulations for California small businesses.  
13 (2) Examine successful models from other states on identifying  
14 regulatory costs and developing potential alternative approaches  
15 that meet the same regulatory objectives for the 10 costliest  
16 regulations on California small businesses, but are less burdensome  
17 on small businesses.  
18 (3) Make recommendations on how California's regulatory  
19 process can more effectively assess the impact on small businesses  
20 of the 10 costliest regulations on California small businesses,  
21 including its cumulative impact, and methods for developing  
22 policy-appropriate alternatives.  
23 (4) Avoid recommendations that could diminish wage and hour,  
24 social insurance, or health and safety protections for California  
25 workers.  
26 (b) Convene a small business advisory committee to provide  
27 advice on the study required pursuant to subdivision (a). The  
28 committee shall include, but not be limited to, representatives from  
29 small business associations representing a cross section of the  
30 small business community.  
31 (c) No later than October 1, 2011, submit the completed study  
32 required pursuant to subdivision (a), including recommendations,  
33 to the Department of Finance, the Speaker of the Assembly, the  
34 President pro Tempore of the Senate, and the chairs of the  
35 Assembly Committee on Jobs, Economic Development, and the

1 Economy, and the Senate Committee on Governmental  
2 Organization.

O