

108TH CONGRESS
2D SESSION

S. 2834

To enhance compliance assistance for small businesses.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23, 2004

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To enhance compliance assistance for small businesses.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Com-
5 pliance Assistance Enhancement Act of 2004”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Small businesses represent 99.7 percent of
9 all employers, employ half of all private sector em-
10 ployees, and pay 44.3 percent of total United States
11 private payroll.

1 (2) Small businesses generate 60 to 80 percent
2 of net new jobs annually over the last decade.

3 (3) Very small firms with fewer than 20 em-
4 ployees spend 60 percent more per employee than
5 larger firms to comply with Federal regulations.
6 Small firms spend twice as much on tax compliance
7 as their larger counterparts. Based on an analysis in
8 2001, firms employing fewer than 20 employees face
9 an annual regulatory burden of nearly \$7,000 per
10 employee, compared to a burden of almost \$4,500
11 per employee for a firm with over 500 employees.

12 (4) Section 212 of the Small Business Regu-
13 latory Enforcement Fairness Act (5 U.S.C. 601
14 note) requires agencies to produce small entity com-
15 pliance guides for each rule or group of rules for
16 which an agency is required to prepare a final regu-
17 latory flexibility analysis under section 604 of title
18 5, United States Code.

19 (5) The Government Accountability Office has
20 found that agencies have rarely attempted to comply
21 with section 212 of the Small Business Regulatory
22 Enforcement Fairness Act (5 U.S.C. 601 note).
23 When agencies did try to comply with that require-
24 ment, they generally did not produce adequate com-
25 pliance assistance materials.

1 (6) The Government Accountability Office also
2 found that section 212 of the Small Business Regu-
3 latory Enforcement Fairness Act (5 U.S.C. 601
4 note) and other sections of that Act need clarifica-
5 tion to be effective.

6 (b) PURPOSES.—The purposes of this Act are the fol-
7 lowing:

8 (1) To clarify the requirement contained in sec-
9 tion 212 of the Small Business Regulatory Enforce-
10 ment Fairness Act (5 U.S.C. 601 note) for agencies
11 to produce small entity compliance guides.

12 (2) To clarify other terms relating to the re-
13 quirement in section 212 of the Small Business Reg-
14 ulatory Enforcement Fairness Act (5 U.S.C. 601
15 note).

16 (3) To ensure that agencies produce adequate
17 and useful compliance assistance materials to help
18 small businesses meet the obligations imposed by
19 regulations affecting such small businesses, and
20 thereby to increase compliance with these regula-
21 tions.

22 **SEC. 3. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL**
23 **BUSINESSES.**

24 (a) IN GENERAL.—Section 212 of the Small Business
25 Regulatory Enforcement Fairness Act of 1996 (5 U.S.C.

1 601 note) is amended by striking subsection (a) and in-
2 serting the following:

3 “(a) COMPLIANCE GUIDE.—

4 “(1) IN GENERAL.—For each rule for which an
5 agency head does not make a certification under sec-
6 tion 605(b) of title 5, United States Code, the agen-
7 cy shall publish 1 or more guides to assist small en-
8 tities in complying with the rule, and shall entitle
9 such publications ‘small entity compliance guides’.

10 “(2) PUBLICATION OF GUIDES.—The publica-
11 tion of each guide under this subsection shall in-
12 clude—

13 “(A) the posting of the guide in an easily
14 identified location on the website of the agency;
15 and

16 “(B) distribution of the guide to known in-
17 dustry contacts, such as small entities, associa-
18 tions, or industry leaders affected by the rule.

19 “(3) PUBLICATION DATE.—An agency shall
20 publish each guide (including the posting and dis-
21 tribution of the guide as described under paragraph
22 (2))—

23 “(A) on the same date as the date of publi-
24 cation of the final rule (or as soon as possible
25 after that date); and

1 “(B) not later than the date on which the
2 requirements of that rule become effective.

3 “(4) COMPLIANCE ACTIONS.—

4 “(A) IN GENERAL.—Each guide shall ex-
5 plain the actions a small entity is required to
6 take to comply with a rule.

7 “(B) EXPLANATION.—The explanation
8 under subparagraph (A)—

9 “(i) shall include a description of ac-
10 tions needed to meet requirements to en-
11 able a small entity to know when such re-
12 quirements are met; and

13 “(ii) if determined appropriate by the
14 agency, may include a description of pos-
15 sible procedures, such as conducting tests,
16 that assist a small entity in meeting such
17 requirements.

18 “(C) PROCEDURES.—Procedures described
19 under subparagraph (B)(ii)—

20 “(i) shall be suggestions to assist
21 small entities; and

22 “(ii) shall not be additional require-
23 ments relating to the rule.

24 “(5) AGENCY PREPARATION OF GUIDES.—The
25 agency shall, in its sole discretion, taking into ac-

1 count the subject matter of the rule and the lan-
2 guage of relevant statutes, ensure that the guide is
3 written using sufficiently plain language likely to be
4 understood by affected small entities. Agencies may
5 prepare separate guides covering groups or classes of
6 similarly affected small entities, and may cooperate
7 with associations of small entities to develop and dis-
8 tribute such guides. An agency may prepare guides
9 and apply this section with respect to a rule or a
10 group of related rules.”.

11 (b) TECHNICAL AND CONFORMING AMENDMENT.—
12 Section 211(3) of the Small Business Regulatory Enforce-
13 ment Fairness Act of 1996 (5 U.S.C. 601 note) is amend-
14 ed by inserting “and entitled” after “designated”.

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